

**Worcestershire County Council**

# **Agenda**

## **Cabinet**

**Thursday, 19 April 2018, 10.00 am**  
**County Hall, Worcester**

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## DISCLOSING INTERESTS

There are now 2 types of interests:  
**'Disclosable pecuniary interests'** and **'other disclosable interests'**

### WHAT IS A 'DISCLOSABLE PECUNIARY INTEREST' (DPI)?

- Any **employment**, office, trade or vocation carried on for profit or gain
- **Sponsorship** by a 3<sup>rd</sup> party of your member or election expenses
- Any **contract** for goods, services or works between the Council and you, a firm where you are a partner/director, or company in which you hold shares
- Interests in **land** in Worcestershire (including licence to occupy for a month or longer)
- **Shares** etc (with either a total nominal value above £25,000 or 1% of the total issued share capital) in companies with a place of business or land in Worcestershire.

**NB Your DPIs include the interests of your spouse/partner as well as you**

### WHAT MUST I DO WITH A DPI?

- **Register** it within 28 days and
- **Declare** it where you have a DPI in a matter at a particular meeting
  - you must **not participate** and you **must withdraw**.

**NB It is a criminal offence to participate in matters in which you have a DPI**

### WHAT ABOUT 'OTHER DISCLOSABLE INTERESTS'?

- No need to register them but
- You must **declare** them at a particular meeting where:  
You/your family/person or body with whom you are associated have a **pecuniary interest** in or **close connection** with the matter under discussion.

### WHAT ABOUT MEMBERSHIP OF ANOTHER AUTHORITY OR PUBLIC BODY?

You will not normally even need to declare this as an interest. The only exception is where the conflict of interest is so significant it is seen as likely to prejudice your judgement of the public interest.

### DO I HAVE TO WITHDRAW IF I HAVE A DISCLOSABLE INTEREST WHICH ISN'T A DPI?

Not normally. You must withdraw only if it:

- affects your **pecuniary interests** **OR** relates to a **planning or regulatory** matter
- **AND** it is seen as likely to **prejudice your judgement** of the public interest.

### DON'T FORGET

- If you have a disclosable interest at a meeting you must **disclose both its existence and nature** – 'as noted/recorded' is insufficient
- **Declarations must relate to specific business** on the agenda
  - General scattergun declarations are not needed and achieve little
- Breaches of most of the **DPI provisions** are now **criminal offences** which may be referred to the police which can on conviction by a court lead to fines up to £5,000 and disqualification up to 5 years
- Formal **dispensation** in respect of interests can be sought in appropriate cases.

## Cabinet

**Thursday, 19 April 2018, 10.00 am, County Hall, Worcester**

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

### Agenda

Item No	Subject	Page No
1	<b>Apologies and Declarations of Interest</b>	
2	<b>Public Participation</b> Members of the public wishing to take part should notify the Head of Legal and Democratic Services in writing or by e-mail indicating both the nature and content of their proposed participation no later than 9.00am on the working day before the meeting (in this case Wednesday 18 April 2018). Further details are available on the Council's website. Enquiries can also be made through the telephone number/e-mail address listed below.	
3	<b>Confirmation of the Minutes of the previous meeting</b> The Minutes of the meeting of 29 March 2018 have been previously circulated.	
4	<b>Plastics and Non-Recyclable Cups - Notices of Motion from Council 15 February 2018</b>	1 - 4
5	<b>Use of Children's Centre Buildings - Transfer of the Outreach Centre at The Grove Primary School, Malvern</b>	5 - 14
6	<b>Worcestershire 5G Consortium</b>	15 - 22
7	<b>Resources Report</b>	23 - 26

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To obtain further information or a copy of this agenda contact Nichola Garner, Committee & Appellate Officer on Worcester (01905) 843579 or email: [ngarner2@worcestershire.gov.uk](mailto:ngarner2@worcestershire.gov.uk)

All the above reports and supporting information can be accessed via the Council's website.

Date of Issue: Tuesday, 10 April 2018

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**NOTES**

- **Webcasting**

Members of the Cabinet are reminded that meetings of the Cabinet are Webcast on the Internet and will be stored electronically and accessible through the Council's Website. Members of the public are informed that if they attend this meeting their images and speech may be captured by the recording equipment used for the Webcast and may also be stored electronically and accessible through the Council's Website.

**CABINET**  
**19 APRIL 2018****PLASTICS AND NON-RECYCLABLE CUPS – NOTICES OF MOTION FROM COUNCIL 15 FEBRUARY 2018**

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**Relevant Cabinet Member**

Mr A P Miller

**Relevant Officer**

Director of Economy and Infrastructure

**Recommendation**

- 1. The Cabinet Member with Responsibility for Environment recommends that Cabinet:**
  - (a) notes the content of the Notices of Motion referred to it by Council in February 2018 and progress to date; and**
  - (b) agrees that a full and detailed report be made to the 14 June 2018 Cabinet meeting.**

**Background**

2. The following Notices of Motion were moved and seconded at Council on 15 February 2018:

Notice of Motion 1 – Discarded plastics and non-recyclable cups

Notice of Motion standing in the names of Mrs E B Tucker, Prof J W Raine, Mr M E Jenkins and Mrs F M Oborski:

"This Council recognises that discarded plastics and non-recyclable cups are a major environmental pollutant.

Council therefore resolved to:

1. Cease the use of single plastic water cups and replace them with washable, reusable alternatives
2. Request our caterers to replace all non-recyclable hot drink containers with suitable environmentally friendly alternatives."

The motion stood referred to the Cabinet for decision. Mrs Tucker and Prof Raine (as mover and seconder) and Mr Jenkins (the third signatory of the Notice of Motion) have been invited to the meeting.

Notice of Motion 2 – Single-use plastics

Notice of Motion standing in the names of Mr P M McDonald, Mr R M Udall, Mr R C Lunn, Mr P Denham, Mr C J Bloore and Mr L C R Mallett (subsequently amended and the following wording was agreed by Council):

"That this Council asks Cabinet to join others in the battle against single-use plastic by encouraging the use of alternative materials for cups, bottles, cutlery and straws at all its buildings, cafes and public events."

The motion was agreed by Council and Cabinet therefore is to consider the request. Mr McDonald and Ms Stalker (as mover and seconder) and Mr Udall and Mr Lunn (as second and third signatories of the Notice of Motion) have been invited to the meeting.

The Leader requested that both Notices of Motion were referred to the April Cabinet.

### **For Information**

3. The following actions relevant to the above Notices of Motion are currently being taken by Council officers:

(a) Council officers have arranged a meeting with Servest (who provide the catering for County Hall and Wildwood offices) to discuss what can be done within the terms of the current contract. (It is understood the contract with Servest is due to end in 2 years' time). This meeting took place on 14 March 2018.

Servest currently offer discounted drinks for those using reusable 'Keepcups', which have been available to buy in County Hall café;

(b) Plastic recycling has been available for staff and visitors to the café at County Hall for several years, as part of current recycling arrangements.

The Council with Place Partnership are reviewing these arrangements, including the possibility of disposable cup recycling and introduction of comingled recycling for other materials, including plastic, in order to make it easier for staff and visitors to recycle;

(c) The Hive café currently offers free refills for those using reusable cups and is considering changing to the use of recyclable disposable cups. The Hive and Bellrock (facilities management at the Hive) are keen to support the reduction of single use plastic;

(d) Worcestershire Countryside Services' catering leases contain a term that relates to reducing packaging and waste, specifying that disposable items are not to be used, but that if they are, they are to be biodegradable where possible.

Countryside Services would like to strengthen this part of the lease agreement with Orchard Café at Worcester Woods Countryside Centre when the lease agreement is reviewed this year, and at Waseley Hills Country Park next year.

NB Countryside Services have been looking in particular at the specification of 'biodegradable', as some plastics labelled as such do not degrade under normal conditions and some others break down into micro-plastics.

4. A full report addressing the use of single use plastics and non-recyclable cups by the Council will be presented to Cabinet on 14 June 2018.

### **Contact Points**

County Council Contact Points  
County Council: 01905 763763

Specific Contact Points for this report  
Liz Alston Sustainability Manager  
Tel: 01905 846745  
Email: ealston@worcestershire.gov.uk

### **Background Papers**

In the opinion of the proper officer (in this case the Director of Economy and Infrastructure) the following are the background papers relating to the subject matter of this report:

Agenda papers for the meeting of the County Council held on 15 February 2018

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**CABINET**  
**19 APRIL 2018****USE OF CHILDREN'S CENTRE BUILDINGS – TRANSFER  
OF THE OUTREACH CENTRE AT THE GROVE PRIMARY  
SCHOOL, MALVERN**

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**Relevant Cabinet Member**

Mr A C Roberts

**Relevant Officer**

Director of Children, Families and Communities

**Local Member**

Mr J O'Donnell

**Recommendation**

- 1. The Cabinet Member with Responsibility for Children and Families recommends that Cabinet:**
  - (a) approves the proposals for the future use of the outreach children's centre building Sunshine at the Grove as outlined in paragraphs 5-7 below; and**
  - (b) authorises the Director of Children, Families and Communities to take all necessary steps to give effect to the above.**

**Background – 'Sunshine at the Grove' Outreach Centre**

2. In June 2016 Cabinet agreed a range of recommendations relating to the provision of effective prevention services for children and young people including optimising the use of children's centre buildings for delivery in localities.
3. Cabinet approved the proposals for the future use of a number of children's centre buildings where consultation was not required; this included the proposal that the children's centre outreach facility, locally named 'Sunshine at The Grove' located at the Grove Primary School in Malvern continued to be used by the Parenting and Family Support provider (currently Action for Children) for the delivery of services.
4. The decision was implemented and a lease granted to Action for Children until 31 March 2019, in line with a contract for provision of parenting and family support.
5. This facility is an integral part of the school building and was converted in 2008 to utilise what was at the time vacant accommodation within the building, situated next to the school nursery. The facility is small; it includes a small activity room, office and kitchen and was used mainly as an administrative base and for delivery of parenting programmes and adult learning.

6. Initially the centre was leased to Barnardos who were commissioned to deliver children's centre services and then to Action for Children in 2013 through the commissioning of Early Help.

7. In October 2017 the provider, Action for Children, reviewed their use of the building which was used for parenting groups and as a meeting space and sought agreement to relinquish the lease on the centre as they did not have an ongoing need for it. They have continued to provide and support services for families from Sunshine Children's Centre in Malvern and in the locality and through other community venues.

8. These services include a number of community-run stay & play groups running across the district that are supported and promoted by the provider. The support includes volunteer training by the Community Development Workers. Partnership working with Health colleagues and other professionals ensure vulnerable families are identified.

9. During the initial children's centre consultation that concluded in January 2016 the school had expressed an interest to take on the centre as additional nursery space in order to extend the early education and childcare offer in the community, as an option. Following further discussion they have confirmed that this remains the case.

10. The school have now (February/March 2018) carried out a local consultation on their proposal using the following statement:

"Our school nursery currently delivers 2 funded sessions a day, 5 days a week for 3 & 4 year olds in the morning and 2 year olds in the afternoon. We would like to use the existing children's centre building as an extension of our nursery building, specifically for our 2 year olds, which would enable us to take them during the morning sessions in addition to the 3 and 4 year olds. This is currently a barrier for some families who would like to use the nursery but would have to make repeat journeys throughout the day for those families who have more than one child between 2 and 4 years. We would have capacity to offer places for 10 more children and would also consider extending our opening hours to 9am to 3pm, which in turn would make us more accessible for local families in need of longer sessions. In the future we would also like to offer 30 hour funded places."

The statement was shared with parents at the school and nursery and with the local district and county councillors.

11. The school received five responses to the proposal all in favour of increased flexibility for parents and the option of children from all age ranges attending at the same time.

12. It is therefore proposed that the children's centre building known as 'Sunshine at The Grove' be leased to Grove Primary School for the continued provision of early childhood services.

## **Legal, Financial and HR Implications**

13. There are no direct negative implications relating to the Council's statutory responsibilities in relation to the sufficiency of children's centre delivery arising from this report. The proposals for the outreach centre at the Grove will have a positive impact for families in the area through the provision of an extended and more flexible early education and childcare offer.

14. There are no immediate HR implications for the Council arising from this report.

15. If the facility is no longer used the overhead costs, albeit minimal, remain the responsibility of the County Council. The utilisation of a space within school that will have been designed for early childhood use to provide early childhood education and care increases sustainable sufficiency and avoids the use of capital funds to create new spaces to meet this duty.

## **Privacy and Public Health Impact Assessments**

16. These proposals have no direct impact on information risk or privacy impact at this stage.

17. A Public Health Impact screening of these proposals has indicated that a full Assessment is not required.

## **Equality and Diversity Implications**

18. An Equality Impact Screening has indicated that a full Equality Impact Assessment of these proposals is not required.

## **Supporting Information**

Further details are set out in Appendices:

- Appendix 1 – Site Plan
- Appendix 2 – Location Map
- Appendix 3 – Floor Plan

## **Contact Points**

### County Council Contact Points

County Council: 01905 763763

### Specific Contact Points for this report

Debbie Herbert, Lead Commissioner for Vulnerable Children and Families

Tel: (01905) 846831

Email: dherbert2@worcestershire.gov.uk

## **Background Papers**

In the opinion of the proper officer (in this case the Director of Children, Families and Communities) the following are the background papers relating to the subject matter of this report:-

Agenda and background papers for the meeting of the Cabinet held in June 2016

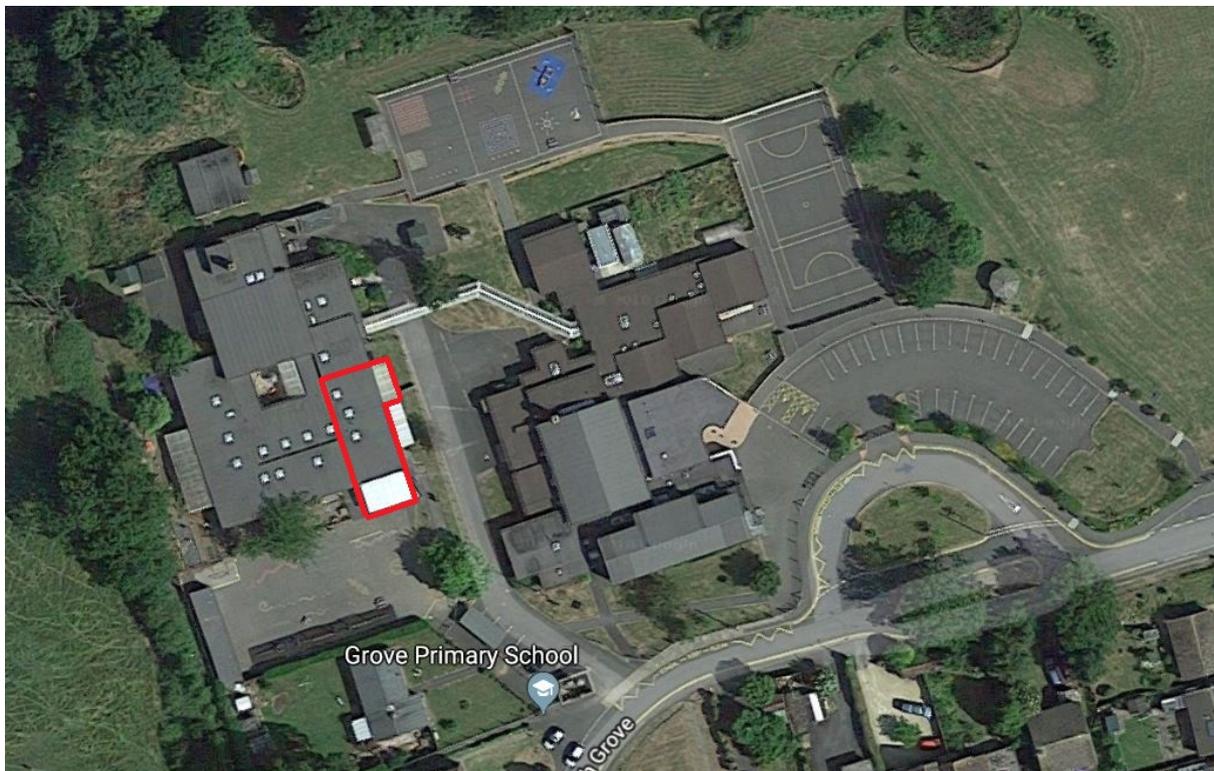
Reports and decision notice related to the delegated decision of the Cabinet Member with responsibility for Children and Families in September 2016.

**Cabinet**

**Meeting date 19 April 2018**

**USE OF CHILDREN'S CENTRE BUILDINGS –TRANSFER OF  
THE OUTREACH CENTRE AT THE GROVE PRIMARY SCHOOL,  
MALVERN, TO EXTEND THE EARLY YEARS  
EDUCATION/CHILDCARE PLACES OFFER AT THE SCHOOL**

**Appendix 1  
Site Plan\***



**\*Source: Google Maps**

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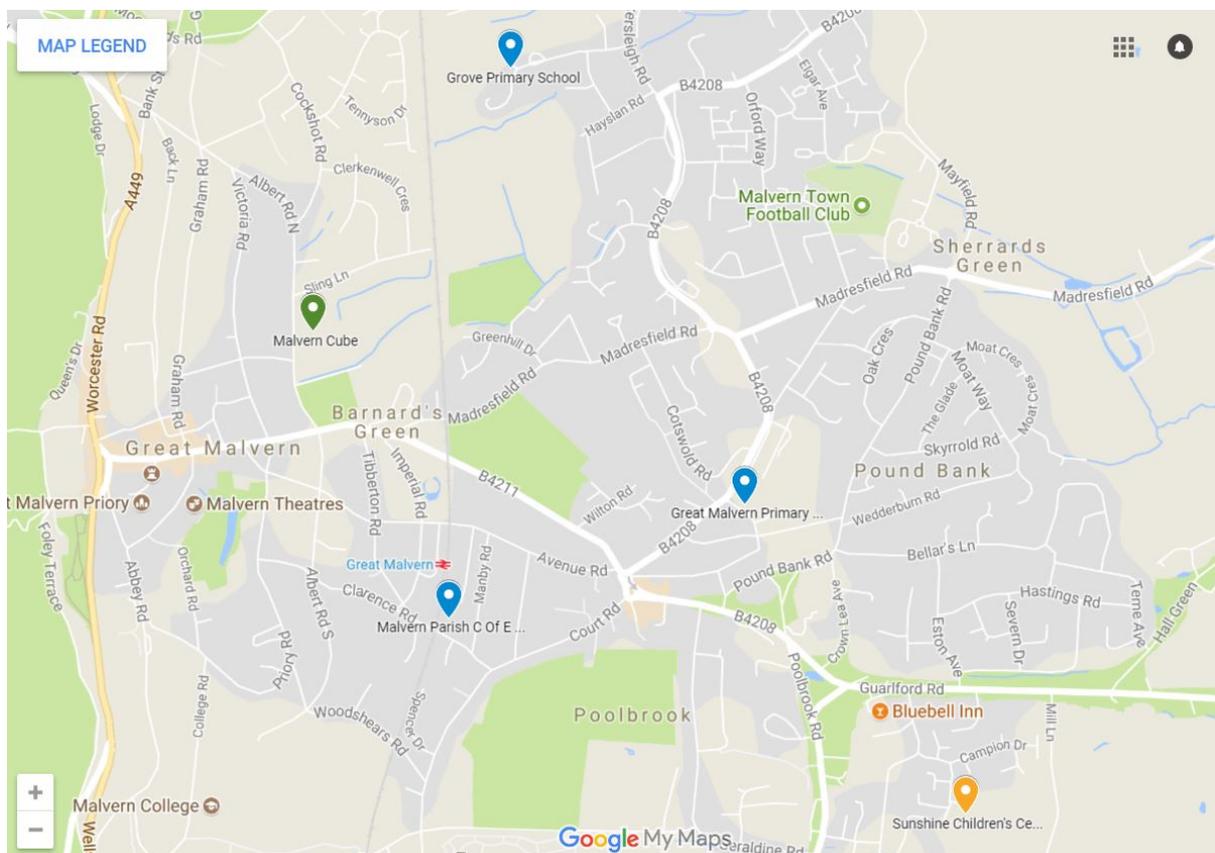
## Cabinet

Meeting date 19 April 2018

# USE OF CHILDREN'S CENTRE BUILDINGS –TRANSFER OF THE OUTREACH CENTRE AT THE GROVE PRIMARY SCHOOL, MALVERN, TO EXTEND THE EARLY YEARS EDUCATION/CHILDCARE PLACES OFFER AT THE SCHOOL

## Appendix 2

### Location Map\*



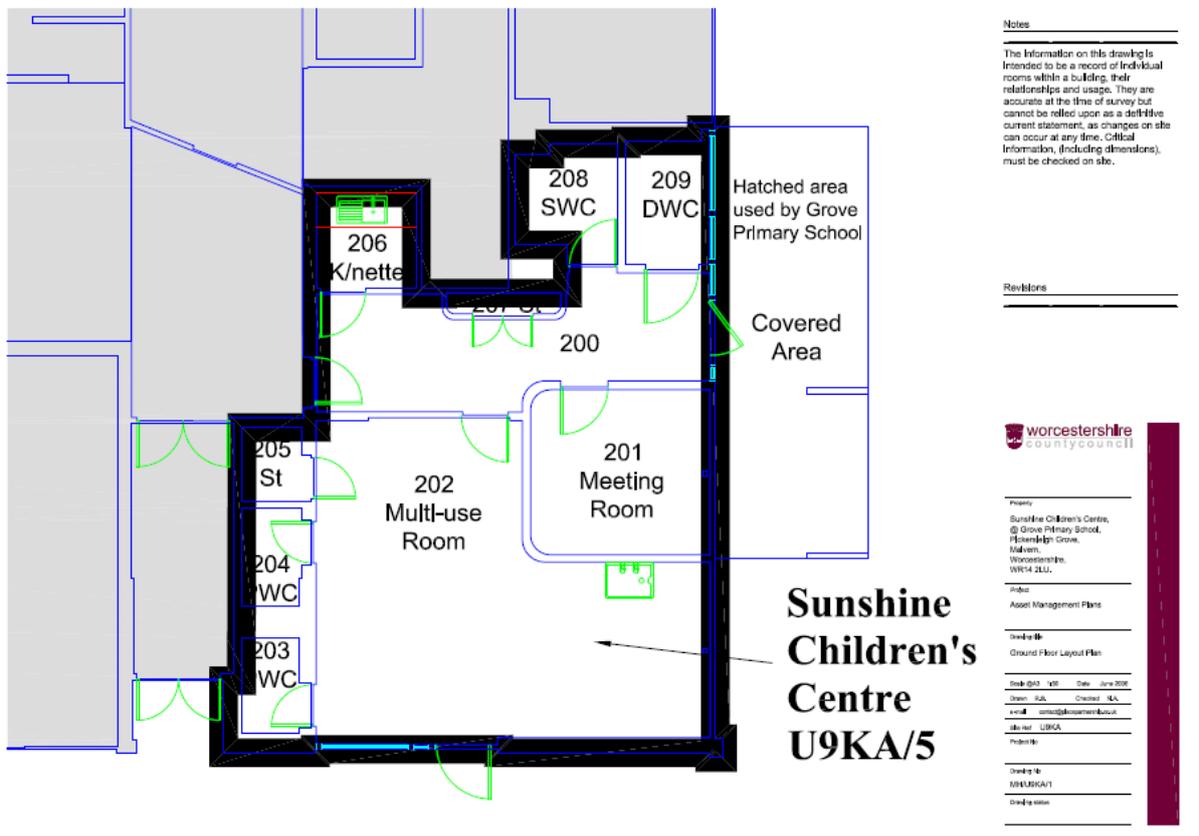
\*Source: Google Maps

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**Cabinet**  
**Meeting date 19 April 2018**

**USE OF CHILDREN'S CENTRE BUILDINGS –TRANSFER OF THE OUTREACH CENTRE AT THE GROVE PRIMARY SCHOOL, MALVERN, TO EXTEND THE EARLY YEARS EDUCATION/CHILDCARE PLACES OFFER AT THE SCHOOL**

**Appendix 3**  
**Floor Plan**



**Notes**

The information on this drawing is intended to be a record of individual rooms within a building, their relationships and usage. They are accurate at the time of survey but cannot be relied upon as a definitive current statement, as changes on site can occur at any time. Critical information, (including dimensions), must be checked on site.

**Revisions**

	
<b>Project</b>	
Sunshine Children's Centre, @ Grove Primary School, Pleasanton Grove, Malvern, Worcestershire, WR14 2LU.	
<b>Project</b>	
Asset Management Plans	
<b>Drawing No</b>	
Ground Floor Layout Plan	
<b>Scale</b> 1:50	<b>Date</b> June 2008
<b>Drawn</b> JSA	<b>Checked</b> JSA

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**CABINET**  
**19 APRIL 2018****WORCESTERSHIRE 5G CONSORTIUM**

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**Relevant Cabinet Member**

Dr K A Pollock

**Relevant Officer**

Director of Economy and Infrastructure

**Recommendation**

1. **The Cabinet Member with Responsibility for Economy and Infrastructure recommends that Cabinet:**
  - (a) **endorses the work undertaken by Worcestershire Local Enterprise Partnership (WLEP), Worcestershire County Council and other partners in the successful application and entry into the Department of Digital, Culture, Media and Sport's (DCMS) Phase One of the 5G Testbed and Trials programme;**
  - (b) **notes the award of the grant from DCMS of £4.81m and the role of Worcestershire County Council as the lead partner and accountable body for WLEP, managing the programme, assuring and financing partners claims and drawing down the funding;**
  - (c) **recommends Council notes the additional £4.81m income and matching expenditure that will form part of the Economy and Infrastructure revenue budget in 2018/19, for this project;**
  - (d) **notes and accepts both the potential opportunities and risks that are identified within this report;**
  - (e) **authorises the Director of Economy and Infrastructure in consultation with the Head of Legal and Democratic Services to finalise and agree the necessary agreements to progress and support the programme; and**
  - (f) **authorises the Director of Economy and Infrastructure to take necessary actions to progress and support the Worcestershire 5G Consortium, including support investigations for alternative funding sources to potentially extend the project.**

**Why is this decision important?**

2. **The Worcestershire 5G Consortium has been successful in its bid for Government funding to test and explore 5G (fifth generation). Understanding of 5G technology is**

emerging, it will build on the foundation created by 4G Long Term Evolution (LTE), the current standard. This has the potential to revolutionise the Internet of Things (IoT).

3. From its launch, the Worcestershire 5G Consortium will begin one of the country's most comprehensive industrial 5G Testbed trial with a team of 5G specialists and business experts pioneering the concept of 'Industry 4.0' i.e. the current trend of automation and data exchange in manufacturing technologies. The consortium of partners includes national network operators and research and development facilities.

4. The 5G Testbed will provide a revolutionary platform for local and national businesses to develop next-generation technology focused on improving the UK's industrial productivity. Founder companies Worcester Bosch and Yamazaki Mazak have already been selected to experiment with preventative and assisted maintenance using robotics, big data analytics and augmented reality. QinetiQ, the multinational defence technology company, will use the Test Bed to advance cyber security application, providing assurances on the 'security by design' of "Internet of Things" (IoT) technology.

## **Background**

5. Worcestershire is one of the fastest growing economies in the country. As part of the 'Open for Business' agenda and promoting World Class Worcestershire, the County Council works in conjunction with Worcestershire's Local Enterprise Partnership (WLEP) on programmes and projects that drive economic growth for the County, as part of the Strategic Economic Plan. In November 2016 colleagues in Worcestershire, including representatives of Cabinet, WLEP Board, senior County Council officers and partners from the local district councils, identified that Digital Connectivity would continue to be an important strand of this work and in particular noted the opportunities presented by the development of 5G technologies.

6. Since November 2016, considerable work has taken place developing the connectivity plans within Worcestershire. This preparatory visionary work was given a 'call to action' in the shape of a national funding programme launched by the Department for Digital, Culture, Media and Sport (DCMS) which invited applications for funding for a Phase One 5G Testbed and Trials Programme.

7. The Worcestershire 5G Consortium submitted one of only six successful bids into Phase One of the Government's 5G Testbed and Trials programme to test and explore 5G connectivity to revolutionise the way future business will operate both in the UK and globally. The Worcestershire 5G Consortium has secured £4.8m in grant funding from the Government, and £3m in contributions from the partners over an initial 12 month period to deliver one of the country's most comprehensive industrial 5G testbed and associated trials. This could give Worcestershire businesses the opportunity to be at the forefront of innovative new technologies with the aim of creating new jobs, educational programmes and driving internal investment into the county.

## **Project Summary**

8. The aim of the project is to deliver a quantified assessment of how 5G technology can increase industrial productivity and support new business models.

9. The testbed will comprise of 5 individual and interconnected indoor test areas located at:

- Yamazaki Mazak;
- Worcester Bosch Group;
- QinetiQ Malvern;
- Malvern Hills Science Park (MHSP) (also outdoor mast planned);
- Heart of Worcestershire College (planned as next phase connection).

10. The businesses and organisations at these sites are part of the 'trials' and are supported by the other partners in the bid including; Telefonica, BT, Huawei, AWTG and 5G Innovation Centre at the University of Surrey. WLEP and Worcestershire County Council take on the role of lead partners managing the programme, processes and coordinating activity.

11. With Worcestershire as the exemplar, the benefits of this investment will be:

- to put the Midlands Engine at the heart of the UK in Advanced Manufacturing
- to stimulate use cases to improve productivity and improve underperformance;
- used as a fundamental building block of the Midlands Engine Vision for Growth and our response to Section 2.19 of Government's Midlands Engine Strategy and
- to help to bridge the £54bn gap in productivity.

12. Within the 5G testbed trials, local businesses, namely Worcester Bosch and Yamazaki Mazak, will focus on ways to increase industrial productivity through preventative and assisted maintenance using robotics, big data analytics and Augmented Reality using 5G technology. The cyber security aspect involves QinetiQ providing assurances on the 'security by design' of 5G and IoT technologies.

13. Whilst the initial trial focusses mainly on 'industry' and 'security' type applications of 5G technology the social benefits it may present are not being overlooked. The project includes work with the Heart of Worcestershire College and University of Worcester, seeking to establish new content and courses to ensure local students have the opportunity to learn about new technologies and skills for the expectant changes in the job market.

14. Partners are excited by the opportunities that 5G technology could offer and recognise there is an element of risk in the work being undertaken as testing and trialling new technologies and pioneering new models are not without their inherent risks. The combination of partners within the project consortium offers a balance of small and medium sized enterprises through to global organisations. All commercial partners have been required to contribute financially to the project and are evidently committed to make the project a success.

## **The role of Worcestershire County Council**

15. Worcestershire County Council will not be delivering the project in totality but will secure project and programme management and subject matter experts in conjunction with Worcestershire LEP using part of the grant award and will act as the accountable body for the grant, receiving it on behalf of the consortium. The amount of grant awarded to the

consortium for the 2018/19 period is £4.81 million. As a public body the County Council is able to claim back 100% of eligible costs incurred on the project.

16. It is anticipated that the grant would be used to fund additional revenue spending during 2018/19 only. The additional income and matching expenditure would form part of the Economy & Infrastructure budget in 2018/19.

17. The Council, in conjunction with partners, also has a role to "champion" the project across the country.

## **Summary of Risks**

18. A summary of high level project risks for Worcestershire County Council are detailed at **Appendix A**.

## **Next Steps**

19. Next steps, subject to approval, include:

- Continue with set up and initialisation of the project to meet the Grant Pre-conditions;
- Work through 12 month project delivering on Key Milestones;
- Investigate and seek opportunity to progress a Phase Two application and seek to establish the commercial model that will allow the testbed to continue operating beyond 12 months.

## **Legal, Financial and HR Implications**

20. The Legal implications for undertaking the 5G project are that Worcestershire County Council is the Lead Partner and Accountable Body for the WLEP. As Lead Partner, WCC has assumed certain obligations to DCMS under the Grant Agreement and, as far as possible, will pass these down to partners through the Collaboration Agreement. As a Public Body providing financial support to private-sector undertakings, State Aid guidance has been provided by the Department of BEIS and WCC Legal & Democratic Services with regards to the funding, advising that such funding may constitute 'authorised state aid' on the basis that a General Block Exemption for aid for research and development and innovation applies.

21. An amount of funding has been accounted for in the project budget to support legal costs during the project.

22. The total amount expected to be spent on this project is £7.87m with £4.81m funded by the DCMS grant and the remaining £3.06m from partner contributions. As the Accountable Body for the grant, the £4.81m would be added to the 2018/19 Economy & Infrastructure revenue budget, with a corresponding amount added as grant income.

23. Worcestershire County Council will be responsible for overall programme management and ensuring subject matter expertise is available to support the project and provision has been included within the bid to cover the costs associated with this,

along with legal, commercial, communications and financial support and any irrecoverable VAT that may be incurred by the Council through partner reimbursement.

24. The grant will be claimed from DCMS in arrears once defrayal has been confirmed and therefore, as with a number of external grants, there may be small cash flow implications relating to claiming reimbursement for County Council costs. Worcestershire County Council will be required to make payments to partners in line with the milestones once the grant funding has been received from DCMS. In order to ensure that exposure to ineligible expenditure by partners is mitigated and sufficient documentation is received in advance from partners to enable a full grant claim process, a Consortium Collaboration Agreement is required to be signed by all partners clearly setting out the requirements.

25. The HR implications include WCC resourcing the Project Management, Technical expertise and commercial model functions and as a result will be recruiting new staff into fixed term arrangements to March 2019. In the short term, due to the short timescale between notification of project success and project commencement, and rapid mobilisation required, processes are in place to secure temporary staff and commission specific services in order to ensure that the project is not delayed due to lack of available resources.

### **Privacy and Public Health Impact Assessments**

26. No adverse impacts have been assessed but this will be kept under review as the project develops.

### **Equality and Diversity Implications**

27. To be carried out in the early stages of the project.

### **Contact Points**

#### County Council Contact Points

County Council: 01905 763763

Worcestershire Hub: 01905 765765

#### Specific Contact Points for this report

Rachel Hill, Strategic Commissioner – Major Projects Tel: (01905) 843539

Email: [rjhill@worcestershire.gov.uk](mailto:rjhill@worcestershire.gov.uk)

Ste Ashton, Senior Project Manager, Economy and Infrastructure

Tel: (01905) 845389

Email: [sashton@worcestershire.gov.uk](mailto:sashton@worcestershire.gov.uk)

### **Background Papers**

In the opinion of the proper officer, in this case the Director of Economy and Infrastructure, there are no background papers relating to the subject matter of this report.

### Appendix A: Risks

Risk	Mitigation
<p>Impact of situation if funding is withdrawn / clawed back / deemed not State Aid compliant</p>	<p>A dedicated programme resource and professional financial resource are secured to support the project.</p> <p>Collaboration Agreement between partners.</p> <p>State Aid Guidance was sought from Department of BEIS, their view concurred with view of County Council legal, that the Grant Funding is compatible aid for a research and development project within the "experimental development" category of Article 25 of the General Block Exemption Regulation.</p>
<p>Ensuring Value for Money across all partners in an innovative space with established supply chains</p>	<p>Specific requirements are set out in the 'Collaboration Agreement' to seek value for money. Private sector partners also contribute their own funding at either 60% or 50% ratio, therefore commercial practices lead to VfM being sought.</p> <p>In areas that only one supplier is suitable due to either 'latest technology' and "timescales" required the appropriate VfM assurances will be sought.</p>
<p>Funding Competition rules require that partners should build any risk contingency into their financial models</p>	<p>All partners are aware of the restrictions of funding at each milestone, if costs are exceeded it is expected that partners will only claim up to their allocated amount. If required revised Cash profiles can be submitted, but these will only allow for relief within the total cap for each partner.</p> <p>For WCC, existing Finance staff are resourced against the programme to monitor spend.</p>
<p>Not Managing Stakeholder Expectations / Reputational damage / 5G Technologies are new and inherently risky, should use cases not deliver on expected benefits, how is this viewed</p>	<p>It is recognised the 5G project contains large commercial companies, educational providers, public sector and SMEs. All partners have a seat on the project board and are expected to engage in regular coordination / agile meetings to minimise the risk of ongoing concerns / issues.</p> <p>In Q&amp;A sessions partners have shared fears and concerns and all are clear this is a 'Trial' and 'Testbed' and that not all applications will work as expected. It is recognised that 'failure' may be an acceptable outcome provided sufficient learning is provided, to avoid</p>

Risk	Mitigation
	similar issues in future.
Reputational / concerns raised as to safety of radio frequencies used by 5G applications	The appropriate test licenses have been secured from Ofcom and equipment providers and network operators will comply with all ISO guidance. One of the communications work packages will provide standard information to support partners communicating this message to concerned stakeholders, whether they are staff in a factory or nearby neighbours.
Partner withdraws from programme	Within the Collaboration Agreement there are provisions that require partners to meet their obligations. If a partner were to withdraw they would be expected to deliver to the point so that all other partners could still deliver their milestones. Regular Board meetings and support from the core team help to align partners and keep them focussed on task.
With a strict 12 month deadline to complete project Delays to Project caused by technology not being available / refused planning / licences etc. Funding not fully drawn down.	<p>Key staff within the partnership are engaging in national networks such as 5G Innovation Network and also maintaining a focus on changes in industry or planned release dates. For some areas the risks need to be accepted and cannot be mitigated within the project.</p> <p>Should it not be a technology release date causing a delay, the project will be incorporating a combination of Prince and Agile project management methodologies and have included for additional support at peak times. The capacity of some larger partners will also allow for an element of mitigation if the concern is resource.</p>
Breach of GDPR / Security Breach of network. Reputational and Financial Risk	<p>All partners have been asked to complete GDPR questionnaires and agree to conditions within the Collaboration Agreement. Much of the data to be shared in connection with the project is machine to machine, with no personal data included.</p> <p>Part of what the project is seeking to achieve is 'Security by Design', the partners in QinetiQ and the network operators have significant experience and are well placed to resolve issues if they arise.</p>

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**CABINET**  
**19 APRIL 2018****RESOURCES REPORT**

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**Relevant Cabinet Member**

Mr S E Geraghty

**Relevant Officer**

Interim Chief Financial Officer

**Recommendation**

1. **The Cabinet Member with Responsibility for Finance (who is also the Leader of the Council) recommends that Cabinet:**
  - (a) **endorses his conclusions concerning revenue budget monitoring up to 28 February 2018;**
  - (b) **recommends that Council approves the addition of £2 million to the Capital Programme for Social Care Case Management System replacement; and**
  - (c) **notes the response to the Fair Funding consultation.**

**Introduction**

2. This report outlines the 2017/18 outturn forecast for the Council's £324 million Revenue budget at 28 February 2018.
3. A recommendation is being made for Council to approve a £2 million addition to the Capital Programme for a social care case management system replacement.
4. Finally, the Council has responded to Central Government's Fair Funding Review consultation and the response is available on the County Council's website.

**Revenue Budget Monitoring 2017/18 – Outturn forecast as at Month 11 - 28 February 2018**

5. The Council's authorised cash limited budget for 2017/18 is £324 million. When taken together with the amount of money spent by the Council that is received through specific grants and miscellaneous income, the Council spends over £1 million per day on providing services to residents and service users.
6. After eleven months of the 2017/18 financial year an overall financial pressure of £6.3million is forecast by the end of the financial year after the use of one off measures and mitigation. This is a reduction of £0.9million since last reported to Cabinet.
7. The 2017/18 financial year has faced significant financial challenges, both with the need to support increased service provision for Children's Services Placements and Safeguarding, and the impact of increased demographic and other cost pressures across Adult Services.
8. The Council is forecasting a £7.5 million cost pressure for Children's Social Care Placements at the end of 2017/18, with the latest figures showing 85 (12%) more

children in placement than at the same point last year, with an increasing number of children in high cost residential placements, 27% of total expenditure on placements is being spent on 9% of children who are placed in agency residential care.

9. The Adult Services budget is also facing demographic cost pressures set against the need to ensure service users are healthier, live longer, have a better quality of life and remain independent for as long as possible. There are particular pressures in older people residential and nursing care due mainly to an increase in the average cost per placement. In addition there are pressures in home care services for older people and services for people with learning disabilities.

10. Other areas of cost pressure include agency staffing costs for children's social care and increased waste disposal costs.

11. The Council will use a number of one off measures to balance the 2017/18 financial year, including using earmarked reserves, capitalisation of costs, use of specific grants and Better Care Fund monies, and reviewing the Minimum Revenue Provision accounting policy. However, the underlying cost pressure and use of specific grants and other reserves has significantly increased since previous financial years.

12. The Council plans to keep general balances the same at £12 million with no future plans to add to or reduce this amount.

13. The Council set the 2018/19 budget on 15 February 2018 and it was acknowledged that there were a number of risks and sensitivities in the setting of the budget. It was recognised in the budget report that there were a number of the County Council budgets that continued to be demand-led. A judgement was made to cater for the current forecasts in demographic growth and its impact on service provision. The budgets will continue to be robustly monitored throughout 2018/19 and future resources reports will highlight any issues.

### **New Capital Investment - Social Care Case Management System**

14. The current social care case management system for the Council is the Framework-I suite for Adults and Children's Services. This was procured more than ten years ago and whilst it continues to provide vital support is nevertheless reaching the end of its life cycle. The existing system will not be supported by the current provider from December 2018 so there is a need to consider a replacement.

15. The current options available through the social care IT sector which has undergone significant change over recent years will be considered, and investment will be needed in a replacement system to support the Council's existing and future needs, An effective system is crucial to supporting service transformation across Children's and Adult services.

16. The replacement of this system will be complex involving experts from across the Council and will be managed by the Director of Children, Families and Communities with the support of a Steering Board. The Cabinet Member with Responsibility for Transformation and Commissioning will also be on the Board.

17. The proposed benefits will be:

- Improved quality of social care service delivery through IT systems that are up to date and maintained in line with latest professional practice
- Resilient and stable IT platforms that do not compromise productivity
- Compliance with statutory requirements around practice and legislation
- Capability to extract and analyse high quality data for better service delivery

- Provides a trusted and secure platform for partners and residents to share information and engage with Council delivered and commissioned services.

18. Cabinet is asked to recommend Council to approve the allocation of £2 million from the existing contingency within the Capital Programme for the replacement of the social care case management system and update the capital cash limits accordingly.

19. There is also the potential for additional revenue costs in 2019/20 which will be dependent on the solution selected once procurement is complete. These will be considered as part of the Council's budget setting process.

### **Fair Funding Consultation Response**

20. On 19 December 2017 Central Government issued a consultation "Fair Funding Review: A review of relative needs and resources".

21. The Council has continually promoted the case for change in previous consultation responses and has supported the work undertaken by the Society of County Treasurers for many years regarding taking full account of changes in demography and service delivery. The consultation states that it is important to ensure that "Funding allocations reflect where the overall 'need to spend' is greatest" whilst taking into account local authority's capacities to raise retained income locally.

22. Central Government is also looking to remove some of the complexity within the current formula and to increase transparency.

23. The review will set new baseline funding allocations for local authorities and deliver an up-to-date assessment of their relative needs and relative resources. The implementation date for the review is currently set to be 2020/21.

24. The consultation proposes that there be fewer cost drivers than the number currently used and that all potential cost drivers in the new formula are assessed based on the following criteria:

- **Relevant** – there should be evidence to demonstrate that the cost driver has a significant impact on the cost of providing services
- **Objective** – the cost driver should be measurable using robust, up-to-date data that is collected on a consistent basis across England. It should not create perverse incentives to 'game' the system
- **Distinct** – the cost driver should explain significant variation in the 'need to spend' that is not covered by another cost driver
- **Stable** – the cost driver should not exhibit unpredictable or large changes year on year, and
- **Future proof** – the cost driver should be expected to drive the on-going costs of providing services.

25. Central Government proposes to develop a foundation formula to allocate funding to each local authority, although acknowledges that there may be particular service areas where a more specific approach is required.

26. The Council's consultation response is available on the County Council's website.

27. In general, the Council welcomes the consultation proposals and agrees that a simple process is required. The inclusion of up to date population and age profiles, mortality rates and life expectancy, road kilometres travelled by HGV vehicles, the impact of rurality and deprivation (specifically income deprivation) is needed as these have a significant impact on the demand for Council services.

28. The Council continue to make a case for being included in an Area Cost Adjustment

calculation, the omission of which reduces funding unfairly when many neighbouring authorities who have similar employment and labour costs do receive this support.

### **Public Health Impact Assessment**

29. A Public Health Impact Assessment has been undertaken with regard to this report and recommendations for new spending decisions to understand the potential impact they can have on Public Health outcomes across the County area.

30. This report concerns reporting the financial forecast for the end of the current financial year, and requests new capital spending for social care case management systems and highways improvements.

31. Taking this into account, it has been concluded that there are no specific public health or privacy impacts as a result of new decisions arising from this Cabinet report.

### **Supporting Information**

- Fair Funding Review Consultation Response – available on the County Council's website with the agenda for the meeting [here](#)

### **Contact Points**

#### County Council Contact Points

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#### Specific Contact Points for this Report

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### **Background Papers**

In the opinion of the proper officer (in this case the Interim Chief Financial Officer) the following are the background papers relating to the subject matter of this report:

Agenda and background papers for the meeting of the Cabinet held on 8 February 2018

Agenda papers for the meeting of the County Council held on 15 February 2018