

Worcestershire County Council

# Agenda

## Cabinet

**Thursday, 15 November 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, 15 November 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

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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 14 November 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 18 October 2018 have been previously circulated	
4	<b>Development of Worcestershire Children First</b>	1 - 12
5	<b>Forward Look at Adult Services</b>	13 - 24
6	<b>Council-Provided Day Services for Adults with a Learning Disability and Connect Short-Term Service</b>	25 - 48
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8	<b>Resources Report - Budget Monitoring Period 6 2018/19</b>	57 - 68

### 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

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

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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**  
**15 NOVEMBER 2018****DEVELOPMENT OF WORCESTERSHIRE CHILDREN FIRST**

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**Relevant Cabinet Members**

Mr A C Roberts

Mr M J Hart

**Relevant Officer**

Chief Executive

**Recommendation**

1. **The Cabinet Member with Responsibility for Children and Families recommends that Cabinet:**
  - (a) **approves the proposed changes to the reserved matters to include in the Articles of Association for Worcestershire Children First;**
  - (b) **subject to agreement from the Minister, notes the proposed changes to broaden the scope of services and responsibility transferred to Worcestershire Children First;**
  - (c) **notes the programme implications related to broadening the scope of responsibility transferred to Worcestershire Children First;**
  - (d) **authorises the Chief Executive, in consultation with the DfE appointed Children's Commissioner, Leader of the Council and Cabinet Member with Responsibility for Children and Families, to re-profile and implement a revised programme plan; and**
  - (e) **agrees to receive a further report in Spring 2019 on the final decision around scope and transfer of services to Worcestershire Children First.**

**Background**

2. In March 2018, Worcestershire County Council's (WCC) Cabinet agreed to the development of a wholly owned council company as the chosen delivery model to deliver children's social care. This decision was in direct response to the statutory direction published on the 19 September 2017. The aim being at the point of transferring services into the Company, the Service will be performing well and the Company will have a positive platform in which to sustain the improvement as well as further improve outcomes for children and young people.

3. The decision taken in March 2018 was informed by a full business case which followed the 'Five Case Model' contained within HM Treasury's guidance. The business

case was tailored to the timescale and resource available in WCC and covered the following key components:

- The **strategic case** - this sets out the case for change, together with the supporting investment objectives for the arrangement
- The **economic case** - this demonstrates that the organisation has selected the most economically advantageous offer, which best meets the existing and future needs of the service and optimises value for money
- The **commercial case** - this sets out the content of the proposed 'deal', i.e. that the alternative delivery model is commercially feasible for WCC to implement
- The **financial case**– this confirms funding arrangements, affordability and the effect on the balance sheet of the organisation, and
- The **management case**– this specifies the plans for the successful delivery of the programme of work to cost, time and quality.

4. From April 2018, the programme entered the implementation phase and a detailed programme plan was developed. Decisions since then include Cabinet agreeing the name and legal form of the Company in July 2018 (the Company has been registered as Worcestershire Children First and a company limited by guarantee), along with the Parliamentary Under Secretary of State for Children and Families agreeing to extend the implementation programme and move the formal launch of Worcestershire Children First to the 1 October 2019. This now allows the better management and predicted overload on social work business throughout the early part of 2019 and will allow for a proper shadow period from 1 April 2019.

### **Reserved Matters for Worcestershire County Council**

5. As a wholly owned council company, WCC retains a number of reserved matters that will require Worcestershire Children First to seek approval from WCC prior to implementation. These reserved matters were outlined initially in the business case and have been used to develop the Articles of Association of the new company. As part of the development of the Articles, it is recommended that Cabinet approves the consolidated list of reserved matters outlined below. (See the Appendix for the original list).

The following matters will require prior written approval from WCC pursuant to the Articles:

- (a) approving or amending the Business Plan or Interim Business Plan;
- (b) amending the Articles;
- (c) agreeing any changes to the membership of the Company or any changes to the company name, trading name or registered office of the Company or physically relocating the headquarters of the Company;
- (d) the appointment and removal of the executive directors and Independent Non-Executive Directors and the terms of such appointments or any changes to the terms of such appointments;
- (e) commencing the voluntary winding-up or dissolution or appointing any liquidator, administrator or administrative receiver of the Company or any of its assets (save

where the Company is insolvent, or where any action is necessary for the directors to comply with their statutory duties or to avoid potential civil or criminal liability);

- (f) forming any legal entity or undertaking in which the Company would be a member, shareholder or hold any analogous position in any jurisdiction of the Company or acquiring shares in any other company or participating in any partnership or joint venture, whether incorporated or not or amalgamating or merging the Company with any other company or business undertaking;
- (g) any changes to the terms and conditions of employment of any of the Company's employees including agreeing terms that fall outside of the Council's remuneration policy;
- (h) selling or disposing of in any way whatsoever, any part of the business (including assets) of the Company;
- (i) dealing with any surpluses of the Company, other than those surpluses which are agreed, pursuant to the Services Delivery Contract, shall be retained by the Company;
- (j) the Company giving any guarantee, suretyship or indemnity outside the ordinary course of its business to secure the liabilities of any person or assume the obligations of any person (other than the Company or a wholly owned subsidiary of the Company) or the Company creating any encumbrance over the whole or a significant part of its undertaking or assets; and
- (k) the Company commencing, settling or defending any significant claim, proceedings or other litigation brought by or against it, except where they are a part of the Company's ordinary course of business and/or operations and to the extent that any settlement or determination in respect of such claims proceedings or other litigation is reasonably likely to exceed £[TBC].

The following matters will require prior written approval from WCC pursuant to the Articles to the extent that they fall outside of the approved Business Plan or Interim Business Plan of the Company:

- (a) the Company's entry into any other contractual arrangement with WCC for the provision of other services to WCC following the Service Commencement Date;
- (b) approval of all contracts, transactions, borrowing, credit facility, acquisition of any freehold or leasehold interest or licence over land (except where WCC is the seller, lessor or licensor) and investment arrangements (other than trade credit in the ordinary course of business) entered into between the Company and third parties with a capital value greater than £[TBC] or revenue value greater than £[TBC]; and
- (c) carrying out any new business of the Company.

### **Proposed change in scope for Worcestershire Children First**

6. As part of the implementation phase, all aspects of the business case have been reviewed in order to finalise the scope and budget required for the successful delivery of Worcestershire Children First. This review has been carried in context of the wider improvement agenda (e.g. special educational needs and/or disability (SEND) inspection

and improvement plan) for children's services, the change in senior management structure of the County Council and the current financial context of the Council.

7. This has resulted in a recommendation to widen the scope of the functions and services transferring into Worcestershire Children First to include broader children's services. The proposed list of additional functions is listed below:-

- Education Services (including provision planning, accommodation, commissioning and safeguarding advice)
- Early Help Services (including those provided by the Council and not those commissioned by Public Health)
- Commissioning of services for vulnerable children and families
- Commissioning of community health services (subject to agreement from Worcestershire's Clinical Commissioning Groups)
- Virtual School
- Services for children with special educational needs and/or disabilities
- Participation and engagement
- Facilitation of the implementation of Worcestershire's Children and Young People Plan (this Plan is still signed off by the Health and Wellbeing Board and Full Council).

8. Services commissioned by Public Health (i.e. 0-19 Services) that are outside of the proposed wider scope will remain in their current arrangements. The organisation of these services will be considered as part of the wider business case and remodelling work across the Council and planned commissioning activity.

9. If the scope of services is broadened a reassessment of support services needed for the company would be required. Further corporate support service staff who are dedicated to Education, Early Help and SEND would likely be in scope for transfer to the Company or form part of a support service agreement.

10. Widening the scope of functions transferred into Worcestershire Children First has a number of benefits:

- Firstly, and most importantly, it strengthens the focus on improving outcomes for children and young people as Worcestershire Children First's Board of Directors will have a single unwavering focus on children and young people. With a broader scope, this focus will cover the full range of services for children and young people thus supporting a more inclusive and integrated approach. There will also be opportunities, which otherwise would not have existed, to integrate service provision together, such as services for children with SEND
- Broadening the scope of responsibilities for Worcestershire Children First will also keep the focus on improvement in one place as both Children's Social Care and services for children and young people with SEND are subject to Ofsted monitored improvement plans. The operational implementation of the improvement plans will be the responsibility of the Company and will be led by the Board of Directors and Senior Leadership Team
- There are also financial benefits to widening the scope of functions transferred given the opportunity to integrate service provision. There are also economies of scale to be made in provision of support/back office services and the Company's executive



leadership team. However, these benefit, whilst important, are considered secondary to those that focus on improving outcomes for children and young people.

## **Programme Implications**

11. The review of the business case has highlighted the implementation implications of broadening the scope of responsibilities for Worcestershire Children First. The current vision, mission, values and outcomes identified for Worcestershire Children First are based on the scope of children's social care only. These will need to be updated following the approval to widening the scope. In addition the inclusion of wider children's services improvement plans (e.g. SEND Written Statement of Action and Troubled Families Recovery Plan) will mean that the success measures of the Company will also need to be updated.

12. The Business case proposed a Board make-up of 9 members. Consideration will need to be given to the size of the Board and whether to increase the number to include the Executive Director who will take responsibility for the additional functions placed in scope.

13. An increase in membership of the Board would not represent an increase in Board costs as the additional Executive Director post is likely to be an existing member of staff. Given the proposal to broaden the scope, consideration also needs to be given around the skills and experience of the three Independent Non-Executive Directors as it may be favourable that one has experience of the education sector.

14. A number of reserved matters are included in the Memorandum of Understanding, where the DfE have consent or consultation rights during the period of intervention. With the broadening of scope, the majority of reserved matters would remain. However, there are a number of reserved matters which may require confirmation from the DfE that will be considered once the scope has been agreed.

15. As part of the development of Worcestershire Children First, the Council is developing a Commissioning and Partnership Management Function (otherwise referred to as the Client Function) which will perform a 'strategic commissioning and intelligence' function setting the expectation of the Company, monitor the Company's performance against the Service Delivery Contract, and ensure the Council is performing its duties and obligations under the Contract. Currently this function has been built for Children's Social Care only and will need to expand in remit to cover the wider aspects of children's services included in scope.

16. The broadening of scope will also require a reassessment of support service needs against the new services. It is likely that further corporate support service staff who are dedicated to Education, Early Help and SEND may become in scope for transfer to the Company or form part of a support service agreement. It is also likely the Support Service Agreement content would grow in volume; however, it is unlikely that many new support services would need to be bought back. Transactional services such as Finance, HR and IT are the most obvious support service agreements that would grow in volume.

17. The current support service agreements are due to be draft in full by December 2018 ready for negotiation with the Company in January 2018. With the new scope of services

the timescales for negotiations will need to be pushed back/extended by one or two months to allow for extra work to be completed.

18. The approved Business Case assumed that the headquarters of the Company would be within Wildwood, with a number of locality bases. This was mapped against Children's Social Care staff only. With a broader scope of services, a number of further staff (to be determined) would require desks at the Company headquarters if it continues to be assumed that the majority of Company staff will be in one main building. Further usage of Wildwood, as well as exploring the option of multiple Company bases, will need to be explored.

19. The communications and engagement plan will be reviewed to ensure that all stakeholders, including those impacted by the change in scope, are informed and engaged appropriately as the implementation of Worcestershire Children First progresses.

20. As a result of the scope change, the Programme will require approximately 2-3 months of further design work to incorporate the new scope of services if they are approved. The major areas this would impact are:

- Negotiations are currently due to commence on the 26 November 2018. These will be pushed back to 28 January 2019
- Shadow period is currently due to commence on the 1 April 2019. The Chairperson and wider Company Board Members would all be appointed by this point meaning the phasing from the 1 April 2019 is likely to grow to a full operation during July 2019 onwards once the Board have tested leadership and governance arrangements
- Development of the budget to be in line with the amended negotiations period, aiming to be signed off by Cabinet (in draft/principle) in May 2019 instead of February 2019. However it is recognised that the budget setting process for the Council is during February, this work needs to align to this as much as possible
- The property is currently due to be ready for move in April 2019. This is currently at risk regardless of the scope change. This will be pushed back to the 1 July 2019.

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

21. The intention is that the Company will remain a wholly owned Council company and it is not expected that the broadening of the scope of the Company's activities will have a direct or material impact on the application of the Teckal exemption pursuant to Regulation 12 of the Public Contracts Regulations 2015 (Regulation 12). The material issue remains that of the activities being undertaken on behalf of the Council and that the various Regulation 12 requirements continue to be met rather than the subject matter of those activities.

22. The proposed broadening of scope would mean there are a number of functions where the formal exercise of statutory discretion (contrasted with the professional work) cannot be delegated by the Council (such as commencement of prosecutions for non-school attendance). Further work will identify what decision-making will be retained in the Council's commissioning unit to ensure compliance with the law.

23. The financial analysis in the business case outlined that there are increased costs in developing and delivering a Company for Children's Social Care. These increased costs relate to one-off implementation costs (currently estimated at £3.15 million) as well as recurrent costs for both the Company and the Council. The recurrent costs to the Company and Council have been reviewed. It is anticipated that these costs will reduce from those included in the original business case – this will be taken into account as part of budget planning for 2019/20.

24. A further recurrent cost to consider is VAT. Pre-business case the DfE committed to covering the costs of irrecoverable VAT that arises as a result of delivering through an Alternative Delivery Model (ADM) rather than the Council, whilst under direction. There was no commitment to covering VAT costs if not under direction

25. At the time of writing the initial business case, the concern was for a potential VAT liability in the post-intervention period, as under VAT rules the activities of the Company would be subject to a welfare exemption and therefore not recoverable to the Company. In effect this would mean that the Company irrecoverable VAT costs would need to be added to the contract price.

26. A new interpretation of VAT rules (not a change to VAT rules) has been agreed by HMRC and the DfE. The new position is that welfare exemption only applies to elements of service 'actively regulated' (i.e. registered) by OFSTED. The activities of the Company therefore fall into two categories – some that are subject to welfare exemption, and others that are not. HMRC retain ability to look at each case on its merits but accept the argument in relation to existing Trusts (and the current plan for Worcestershire) that their primary activity for the Local Authority is assessing needs of children, planning to meet need, and ensuring those needs are met. On that basis, registered services i.e. Adoption/fostering being delivered are incidental. Therefore, the Company can class all services as a single, VATable supply and can therefore invoice the Council at standard rate, recovering the VAT on their purchases.

27. Similarly, the Local Authority can recover the VAT on invoices from the Company. DfE commitment to covering liability for irrecoverable VAT that arises as a result of delivering through an ADM rather than the Council still stands, however, if Worcestershire were to now pursue a model that was different to the previously agreed arrangement, this would require a new discussion with the DfE and HMRC. Whilst this discussion is yet to take place, the Council will proceed on the basis that the Council will be no worse off as a result of any potential change in scope.

28. Where an ADM supplies both welfare services and educational support services and the educational support services form the larger part of the contract between the parties, the HMRC are content that the supply is a single supply of educational support services. This is a standard rated supply by the ADM to the local authority. Where the welfare element is greater than the educational support services, or where it is the only supply, it is necessary to consider what the ADM is actually doing. The exemption from VAT for welfare services in item 9(b) of Group 7 to Schedule 9 of the VAT Act 1994 covers supplies of such services by “a state-regulated private welfare institution or agency”. State regulated means approved, licensed, registered or exempted by any Minister or relevant authority. Ofsted advise that although welfare providers are required to be registered with them, only some of their activities may be regulated.

29. The final budget for the Company will need to include service demand pressures, the cost of the improvement plan, and any additional budget that is attributed to the running and commissioning of the Company. Should the wider scope for the Company be agreed, an urgent review of these demands will be undertaken.

30. With a broader scope of services, the Service Delivery Contract (SDC) will require significant revision together with the Support Services Agreement (SSA) including the legal terms and condition and schedules to these documents. The Council-side lawyers will be required to conduct a number of revisions to the SDC and the SSA as well as facilitate authors to amend their schedules. Whilst the Programme Team are able to conduct some of this work (such as the revisions to the Support Services Agreement Specifications), the lawyers will be required to manage the master documentation and guide the Programme. Therefore, there is likely to be an increase in time and effort required by external legal resources, which may result in increased fees.

31. The broadening of scope will lead to an increase of staff included in the TUPE transfer, subject to consultation. The original number of expected TUPE'd staff in the Business Case was 678FTE for 2018/19. The new number of staff in scope for potential TUPE based on the broadened scope of services is approximately **815FTE**. This includes approximately 33.5FTE allocated to corporate support service provision if the decision to transfer was taken. However, this is likely to increase following a more detailed assessment of corporate support service needs based on the new scope.

32. An actuarial report has been commissioned for the current scope of services. If the broadened scope is approved, a new actuarial report is required based on the new TUPE list. It is unlikely this will have a major impact on pensions options.

33. Based on a broadened scope of services, the baseline budget will increase to include the new scope of services. This must take into account any known savings plans or increases for the next few years, particularly 2019/20, as well as consider mitigations against any current overspend. Work is required by the Finance workstream to re-baseline the budget.

### **Equality and Diversity Implications, Privacy and Public Health Impact Assessments**

34. The Council must, during planning, decision-making and implementation, exercise a proportionate level of due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010
- Advance equality of opportunity between people who share a protected characteristic and those who do not
- Foster good relations between people who share a protected characteristic and those who do not.

35. Having done this, an Equality Relevance Screening has been carried out in respect of these recommendations. It identified that further equality impact analysis and public health impact assessments will be required in respect of Council staff families and the wider community during design and implementation of activity needed to give effect to the recommendations set out in this report.

36. The services and functions being transferred into Worcestershire Children First have the duty to improve outcomes for children and young people, and these outcomes directly or indirectly impact on their health. The Public Health Ring-fenced Grant is being used to support some of these services, specifically some Early Help services, in this context. A full Public Health Impact review will be carried out on services, including evaluation of impact and effectiveness.

### **Supporting Information**

- Appendix – List of Reserved Matters for Worcestershire County Council

### **Contact Points**

#### County Council Contact Points

County Council: 01905 763763

#### Specific Contact Points for this report

Hannah Needham, Assistant Director of Families, Communities and Partnerships

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### **Background Papers**

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

Agenda and background papers for the meetings of the Cabinet held on 29 March 2018 and 12 July 2018

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**RESERVED MATTERS**

- 1.1 The matters that require prior written approval from the member pursuant to Article are:
- 1.1.1 agreeing any changes to the membership of the Company or any changes to the company name, trading name or registered office of the Company or physically relocating the headquarters of the Company;
  - 1.1.2 the appointment and removal of the executive directors and Independent Non-Executive Directors and the terms of such appointments or any changes to the terms of such appointments;
  - 1.1.3 approving or amending the Business Plan or Interim Business Plan;
  - 1.1.4 amending the Articles;
  - 1.1.5 commencing the voluntary winding-up or dissolution or appointing any liquidator, administrator or administrative receiver of the Company or any of its assets (save where the Company is insolvent, or where any action is necessary for the directors to comply with their statutory duties or to avoid potential civil or criminal liability);
  - 1.1.6 the Company's entry into any other contractual arrangement with the Council for the provision of other services to the Council following the Service Commencement Date (unless otherwise expressly provided for in the Business Plan, including pursuant to any change mechanism therein);
  - 1.1.7 forming any legal entity or undertaking in which the Company would be a member, shareholder or hold any analogous position in any jurisdiction of the Company or acquiring shares in any other company or participating in any partnership or joint venture, whether incorporated or not or amalgamating or merging the Company with any other company or business undertaking;
  - 1.1.8 approval of all contracts, arrangements and transactions entered into between the Company and third parties with a capital value greater than £[AMOUNT] or revenue value greater than £[AMOUNT] that has not been approved in the Business Plan;
  - 1.1.9 the Company's entry into any borrowing, credit facility or investment arrangement (other than trade credit in the ordinary course of business) that has not been approved in the Business Plan;
  - 1.1.10 any material changes to the terms and conditions of employment of any of the Company's employees including agreeing terms that fall outside of the Council's remuneration policy;
  - 1.1.11 selling or disposing of in any way whatsoever, any part of the business (including assets) of the Company;
  - 1.1.12 carrying out any new business of the Company that has not been approved in the Business Plan;
  - 1.1.13 dealing with any surpluses of the Company, other than those surpluses which are agreed, pursuant to the Services Delivery Contract, shall be retained by the Company;
  - 1.1.14 the Company giving any guarantee, suretyship or indemnity outside the ordinary course of its business to secure the liabilities of any person or assume the obligations of any person (other than the Company or a wholly owned subsidiary of the Company) or the Company creating any encumbrance over the whole or a significant part of its undertaking or assets;

- 1.1.15 the Company acquiring, or agreeing to acquire, any freehold or leasehold interest in or licence over land except where the Council is the seller, lessor or licensor (as applicable) of the land in question, in which case Council approval shall not be required;
- 1.1.16 the Company commencing, settling or defending any significant claim, proceedings or other litigation brought by or against it, except where they are a part of the Company's ordinary course of business and/or operations and to the extent that any settlement or determination in respect of such claims proceedings or other litigation is reasonably likely to exceed £[AMOUNT] where that sum has not been approved in the Business Plan.



**CABINET**  
**15 NOVEMBER 2018****FORWARD LOOK AT ADULT SERVICES**

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**Relevant Cabinet Member**

Mr A I Hardman

**Relevant Officer**

Director of Adult Services

**Recommendation**

- 1. The Cabinet Member with Responsibility for Adult Social Care recommends that Cabinet:**
  - (a) notes the current and forecast demand and financial pressures for the provision of Adult Social Care, which is significant both nationally and locally, as set out at Appendix A;**
  - (b) notes the recent reports by the Competition and Markets Authority (November 2017) into the viability of the adult care market and recent National Audit Office report 'Financial Sustainability of local authorities 2018';**
  - (c) endorses the direction of travel within Adult Social Care to manage demand and improve people's independence, as set out in 'Promoting Independence: Our Vision for Transforming Adult Social Care in Worcestershire' and the Worcestershire Market Position Statement as set out at Appendices B and C;**
  - (d) notes and endorses those policies and procedures set out at paragraphs 9-23 and Appendix D, and authorises the Interim Director of Adult Services to take all necessary steps to implement them;**
  - (e) requests a report on the Council's response to the Green Paper on care and support for older people, which has been announced for publication in Autumn 2018, and at the point of discussion of this report indicating a preferred direction of travel; and**
  - (f) requests that the value of the care sector as wealth-generating businesses and as an employer is recognised in the development of economic and regeneration policies within the County.**

## Background

2. Worcestershire County Council's Corporate Plan "*Shaping Worcestershire's Future,*" sets out its four key priorities to guide the work of the Council and our relationship with individuals, families, communities and partners over the next five years.

3. Apart from *Promoting Health and Well-Being* being a priority in its own right, the Corporate Plan recognises the impact that the other priorities have on the wellbeing of our residents and it is our priority, working with partners, to ensure Worcestershire residents are healthier, live longer, have a better quality of life and remain independent for as long as possible.

4. This priority is supported by local residents as recent consultations with residents and local businesses make it clear that one of their top priorities remains "*Protecting vulnerable adults – particularly those older people with physical learning and mental health difficulties.*"

5. Our focus for Adult Social Care is to keep people with care and support needs and those that support them as independent as possible, enabling people to remain active members of their community and to continue to make a contribution. The aims within our vision will be achieved by working with partners to provide the framework, support and guidance to enable people to live healthy, independent lives, and be as active for as long as possible, whilst ensuring we can provide the best support that people need in times of crisis. In order to deliver our vision we will:

- *Assess and meet Care Act eligible need and commission and deliver services that meet that need directly or through the independent and voluntary sectors*
- *Prevent, reduce and delay the need for care*
- *Engage with the provider market to ensure that they are aware of and can meet current and future need*
- *Ensure a robust safeguarding system is in place to protect vulnerable adults.*

6. 'Promoting Independence: Our Vision for Transforming Adult Social Care in Worcestershire' is a three year business plan that sets out how we will deliver our core offer, our key strengths and areas for development, the outcomes we will achieve and our key performance indicators so we know if we are making progress.

7. This business plan will be reviewed on an annual basis and we also intend to produce a local account of how well, or otherwise, we are making progress on the business plan on an annual basis. This will be a publicly available document and will therefore bring additional transparency and scrutiny to the Directorate. The business plan is set out in Appendix B to this report.

8. As part of a statutory requirement the Directorate should, and does, engage with the market so that local providers understand what outcomes, and therefore what services, we are likely to commission and procure in the future. We have now produced a refreshed Market Position Statement (MPS) which also includes some material from our Clinical Commissioning Group (CCG) colleagues, so that local, regional and national providers can begin to shape their businesses to provide what we are likely to need over the next 3-5 years. Again, the MPS will be refreshed on a regular basis to inform the market about demographic and trend changes and information. The MPS is set out in

Appendix C to this report.

9. In the interests of transparency and establishing consistent practice standards, a set of policies is set out at Appendix D. The relevant policy statements and purpose of these documents are included in paragraphs 10-22 below. These policies cover:

- Carers
- Choice of Accommodation
- Integrated care
- Transport
- Charging for services - *including financial assessment, deferred payment agreements and disability-related expenditure.*

### **Carers Policy**

10. This policy outlines Adult Services' key responsibilities in relation to carers as prescribed in legislation and provides local guidance as to how we expect staff to discharge those responsibilities.

11. Under Care Act 2014 guidance, a carer is 'Somebody who provides support or who looks after a family member, partner or friend who needs help because of their age, physical or mental illness, or disability. This would not usually include someone paid or employed to carry out that role, or someone who is a volunteer.'

### **Choice of Accommodation Policy**

12. The purpose of this policy is to provide guidance on supporting people with choice of accommodation, and contains essential information on the legislation related to the Council's responsibilities for people entering specified types of care accommodation.

13. Moving into care accommodation is a major decision in anyone's life, and it is important both for the individuals involved and their families that they receive appropriate support with decision making, and adjusting to significant life change.

### **Integrated Care Policy**

14. The National Framework for the NHS Continuing Healthcare (2012) guides the NHS and Local Authorities to consider the need for integrated packages of care for those people found not eligible for NHS Continuing Healthcare (CHC). This policy sets out the process and funding arrangements in place when agreeing an integrated package of care and the underpinning governance arrangements required to support this agreement.

### **Transport Guidance and Procedures**

15. The aim of the Adult Social Care Transport Guidance and Procedures is to give clear and concise guidance on eligibility for transport assistance to ensure Worcestershire County Council ("the Council") is consistent in its approach and complies with the statutory duties set out in the Care Act 2014.

16. The guidance sets out clear criteria which front line staff responsible for assessment and support planning will use to determine whether an adult will be provided with transport assistance from the Council and how transport will generally be provided.

17. The overarching principle of the guidance is to promote safe and independent travel wherever possible using an adult's own strengths and community assets. Where transport assistance is assessed as needed, the aim is to ensure it is cost effective and offers good value for money in line with the Council's strategic aims.

### **Deferred Payment Agreement Policy**

18. This policy aims to support the financial assessment process, making charging fair and consistent for all service users in accordance with guidelines, set out by Central Government. The Council must comply with the Department of Health's Care and Support Statutory Guidance, issued under the Care Act 2014, ensuring that there is equitable charging, taking into consideration a person's assets; this may be both their capital and income.

19. When undertaking a financial assessment, the Council may identify circumstances that may suggest a person may have deliberately deprived themselves of assets in order to reduce the level of contribution they make towards their care and support, or secure assistance in paying for their care and support from the Council.

20. Where the Council considers that deliberate deprivation may have occurred, the Council will have regard to this policy, which is written in accordance with Annex E of the Department of Health Care and Support Statutory Guidance, issued under the Care Act 2014.

### **Charging Policy for Care and Support**

21. This policy aims to make charging fair and consistent for all service users in accordance with guidelines, set out by Central Government. The Council must comply with the Department of Health's Care and Support Statutory Guidance, issued under the Care Act 2014 and ensure that there is equitable charging and is written in line with The Care and Support (Charging and Assessment of Resources) Regulations 2014.

22. Full cost charging is applied to those who can afford it and service users will only ever be charged their maximum assessed charge for means tested services. The policy applies equitable charging for service users whether using a personal budget as a direct payment or receiving Council-commissioned services.

23. Cabinet is requested to note and endorse these policies, appended at Appendix D and summarised above - this is important to enable Adult Services to ensure that there is consistent application of the policies and makes clear to the public the detail of how decisions are reached.

### **Financial Position**

24. Nationally, the 152 Councils with statutory responsibility for adult social care are overspending by about £1bn annually. To date Government has responded by allowing Councils to raise a precept for adult social care (of up to 6% over 3 years) and by one-off

grants such as the Improved Better Care Fund (iBCF). However, these funds are not recurrent. The iBCF can be used to meet social care needs, reduce pressures on NHS services and stabilise the social care provider market in the short-term. Whilst these sums of money have been useful this does nothing to enable longer-term planning around the future of adult services.

25. The challenges facing adult services at a local level are known and acknowledged. The Leader of the Council and Cabinet Member with Responsibility for Finance highlighted these in the Budget and Council Tax report to Cabinet in February 2018. Cabinet will also be aware of the very significant in-year pressures that were reported to Cabinet on 27 September 2018. The Adult Social Care budget for 2018/19 is forecast to overspend, before management action is taken, by around £15m. This overspend has arisen due to a combination of:

- demographic and market pressures across the service
- Market Forces Factors, and
- Accumulated savings targets not achievable in 2018/19.

#### Demographic and market pressures across the service

26. This is expressed in two different ways, volume and complexity:

Increasing volume due to:

- An ageing population,
- People who previously funded their own care, becoming eligible for care due to depleting resources, and
- Younger people with disabilities becoming eligible for Council funding or later in life as their own parents become infirm.

Increasing complexity due to:

- Increased frailty of older people needing more intensive care
- People with more profound disabilities living longer into adulthood and needing more intensive care as they get older.

Going forward, the number of older adults (aged 65+) is projected to increase substantially. The increase is accounted for by a rise in the number of people in the very oldest age groups coupled with the fact that people in Worcestershire are generally living longer. The number of people in the oldest 75+ age group is projected to increase from 60,000 to 79,000 between 2018 and 2025. People in the oldest age group are likely to have higher needs associated with frailty, comorbidity and living alone. This is an increase of 19,000 people or a percentage increase of 32%. The Health and Well-being Board received a detailed report and joint strategic needs assessment on 25 September 2018 which clearly laid out the demographic pressures.

27. In addition to the general rise in older population numbers, there is the impact of older people who have been financing their own care and because of depleting resources, become eligible for state funded care. In 2017/18, there were 274 people in self-funding care that became eligible for local authority care from the Council.

28. There is also the impact of those people who were previously funded by health under Continuing Health Care (CHC). Under the CHC regulations, those with a primary

health need are funded by Health. If they are assessed as having a primary social care need, they are funded by Social Care. However, depending on the assessment criteria, people do pass between health and social care funding. In 2017/18 there were 97 people who transferred from CHC to Social Care funding.

29. In Learning Disability Services, using the data from the current 18-25 year old cohort, there are on average 37 new packages per year as a result of young people transitioning into Adult Services. During 2017/18 there were 29 deaths of people with Learning Disabilities.

30. As an estimate, there are therefore an **additional 8 service users** each year. Due to the changing needs of the Learning Disability population with younger service users tending to have more complex needs and new packages likely to be at a higher cost than more established packages, there are also forecast to be higher average costs for the 37 new packages than the 29 ended packages.

#### Market forces factors

31. Market forces affect the ability of providers to offer care packages and placements at the Council's standard rates – including from 2016/17 the rise in national living wage. Appendix A sets out these pressures in more detail.

#### **Savings Overview**

32. We are working on the assumption that there will be a need to rebase the Adult Care budget in setting the 2019/20 budget to reflect the current level of spend. The services will continue to face significant pressures from demand and complexity also in future years that could grow faster than our funding. As such the service is looking at ways it can curtail costs and make efficiencies through reforms. Further details on this will be set out in the budget setting papers presented to Council in February 2019. This forward looking strategy sets out the pathway to manage costs.

<b>Project</b>	<b>Savings Target</b>
	<b>£000's</b>
<b>Securing CCG funding for S117 service users</b> – unable to secure CCG agreement.	900
<b>Reduce further spend on external contracts</b> – double counting of corporately set target against Directorate commissioning targets	882
<b>Supported Living</b> – opportunities are diminishing as time progresses due to reduction in suitable service users with Learning Disabilities.	310
<b>LD Day Services (inc Replacement Care)</b> – due to consultation findings endorsed at Cabinet June 2018.	350
<b>Outcomes Based Commissioning</b> – Domiciliary Care – savings opportunity diminished as a significant increase in lower cost providers in the market	775

33. The following table sets out the current forecast savings plan including delivery of £6.1m savings against the existing plan for 2018/19 and additional savings/efficiencies of £0.9m identified to offset the in-year budget pressure:

<b>Project</b>	<b>2018/19 £000's</b>	<b>2019/20 £000's</b>	<b>2020/21 £000's</b>	<b>2021/22 £000's</b>
Supporting service users to move to Extra Care residences	140	140		
Review of LD Day Services (inc. Replacement Care)	100	511	261	
Supporting services users to move to Supported Living residences	297	300	130	130
Secure grant funding to support provision of aids and equipment	375			
Commissioning in House Residential Care	120			
Case Management Approach for Continuing Health Care Funding	1,000	500	500	500
Roll Out of 3 Conversation Model, strengths based approach to social work	649	1830		
Use of Technology to promote independence of service users within home, residential and supported living environments	115	235		
Reviews of current care packages – with a view to increasing independence	820	380		
Ensuring appropriate application of the Choice Policy	379			
Review and Manage Provider Fees within Budget	1,500			
Joint Commissioning Advocacy Services	50	50		
Cessation of Housing Support provision for Mental Health	288			
Full cost recovery for external provider training	90	90		
Maximising benefits income for service users	171	165	170	
Introduce charging for brokerage support for self-funders	10	35		
Further spend control activities within adults social care – inc. vacancy management and procurement card spend.	465	465		
Capitalisation of transformation resource	250	250		
Reduce commissioning unit	106	163		
Review of staffing structures related to integrated teams	60	180		
Review of rapid response and out of hours service provision		200		
Review of sensory impairment support		45		
Review of non-statutory advocacy support for people with learning disabilities	18	54		
<b>Totals</b>	<b>7,003</b>	<b>5,854</b>	<b>800</b>	<b>630</b>

## **Additional Budget Risks**

34. In November 2017 the Competition and Markets Authority (CMA) published a report on the care home market, which is worth £15.9bn a year nationally, The Care Act 2014 places a duty on the Council to shape the local provider market by facilitating and promoting markets for the whole population i.e. those who are state funded and those who are 'self-funders'. The CMA report states that the current model of service provision is unsustainable without extra public funding and that providers of local authority-funded residents could not continue on current payment levels. The CMA estimates that the national cost of paying the true cost of care is around £1bn nationally, which is the estimated overspend of social care authorities.

35. The Worcestershire context is slightly different to the national picture with more small family-owned businesses which are arguably less likely to be able to weather any financial problems as they may not have reserves or be able to use assets in the way that a larger provider could. Any provider with more than 25% Council funded residents faces risks about covering more than operating costs and capital borrowing.

36. There remains significant risk around the national provider market, as illustrated by the very recent collapse of Allied Health Care. Over the last 12 month period there has been a net loss of 48 residential care home beds that are considered to be within the adult social care's affordability range. There are mechanisms in place to both track potential market failure and to mitigate risks to service users in the event of closure.

37. Further work is needed to understand the business risks involved and this report recommends that the care sector is recognised as an important sector within the local economy - rather than view the sector as 'problematic' there should be a concerted attempt to engage with the sector at a strategic level. This would involve developing a greater understanding of the value of the care sector as wealth generating businesses and as a significant employer in Worcestershire, currently in the region of 15,500 jobs.

38. We have a well-developed relationship with large sectors of the Provider Market and will continue to co-produce safe, cost effective care and support solutions to maintain high quality services.

## **Green Paper**

39. The Government has recognised that there is a fundamental problem with the way in which care for older people and vulnerable working age adults is currently funded. The iBCF, for example, was a much needed cash injection into local Councils but is non-recurrent expenditure and represents an approach of one-off monies meaning long-term planning is difficult. Overall there is an estimated £2.3bn national funding gap by 2020/21. The current system is confusing for the public (many of whom do not understand that social care is not, and never has been, free at the point of delivery – unlike health care). Since 1998 there have been 12 green papers, white papers and other consultations, as well as 5 independent commissions attempting to grapple with the problem of securing a sustainable social care system – this latest Green Paper therefore represents an opportunity to make a solution 'stick'.

40. Reaching a sustainable system involves answering three key questions:



- Where does the balance of risk and responsibility lie between the state and the individual?
- How does Government finance its social care funding?
- How is social care finance then allocated and managed?

41. The principal decision about where the balance of responsibility lies between the state and individuals and their families will determine what Government offers in terms of social care and is linked to broad questions about equity and fairness. There are a broad range of options available, from the state funding the vast majority of care (like health services) through to individuals assuming full responsibility. At the moment the system sits somewhere between these two extremes. Presuming that at least some costs continue to be met by the state the next question which arises is how the state should raise the funds to do so. Again there are a number of options:

- Hypothecation – the introduction of a dedicated tax to meet social care costs
- General taxation system (as now)
- Redirecting other elements of spending for older people towards social care i.e. winter fuel allowance, removing the triple lock on pensions
- Free personal care with no means testing for personal care but 'hotel' costs remaining means tested (model currently used in Scotland).

42. Individual costs of care could also take different forms:

- Direct payment to providers (as now) – with potential to move the means test and a potential cap on the lifetime costs of care (but to note this would not mean any further money available for the system - this would be protecting individual assets against catastrophic costs)
- Deferred payment schemes (as now whereby the Council pays the cost of care and property is sold post death to recoup the charges)
- Equity release schemes
- Developing a private bond/insurance system (an immediate needs annuity scheme already exists but is expensive and not well known).

43. The third aspect of the system of social care funding is how this is administered – the management of funding within the system. Two key models have been put forward:

- Single health and social care budget (being trialled in some areas of the country such as Manchester)
- Joint budgets (using S75 agreements) as in place now. This is an agreement made under Section 75 of National Health Services Act 2006. Section 75 agreements can include arrangements for pooling resources and delegating certain NHS and local authority health-related functions to the other partner(s) if it would lead to an improvement in the way those functions are exercised.

44. Some commentators (notably the Institute for Fiscal Studies) have suggested the Government may also be considering moving adult social care services into a joint and national model with health services. This is predicated on the inherent dichotomy in the Care Act 2014 (standardised responses and removal of post code lottery) and the removal of Revenue Support Grant will make it increasingly difficult for Councils to fund care costs through council tax and business rates.

45. The local government sector has, however, expressed a clear view that the potential national models do not take account of the local knowledge and expertise of locally elected members and would only deepen the 'democratic deficit' in the health economy. The Council remains committed to integrated service provision, where this drives either efficiencies or gain for local residents.

### **Legal Implications**

46. Legal advice will be provided to support any changes in service delivery in accordance with the requirements of the Council's policies and procedures. The Council will remain under an obligation to meet its statutory duties.

### **Financial Implications**

47. Financial implications are set out in paragraphs 24 to 38 above and in the Resources Report to Cabinet on 27 September 2018.

### **HR Implications**

48. HR advice will be provided to support any changes in service delivery in accordance with the requirements of the Council's policies and procedure.

### **Equality Duty Considerations**

49. In the development of the appended policies and procedures, outlined in paragraphs 10 to 22 above, due regard has been taken to the requirements to ensure equity, included in the Care Act 2014. Individual equality screenings have also been completed, as required, and are appended to the relevant policies and procedures provided at Appendix D.

50. The Council will continue to have due regard to proactively addressing the three elements of the Public Sector Equality Duty in all relevant areas – in particular the planning and delivery of Adult services.

### **Public Health Impact Assessment**

51. This report is mainly about the national policy debate about social care finance and how the Adult Services Directorate is responding to the financial challenges at local level.

52. Due regard has been taken to health impacts and the requirements of the Care Act 2014 in the development of the appended policies and procedures

### **Supporting Information**

The following Appendices are available electronically:

- Appendix A – Demand and Growth Report
- Appendix B – Adult Services Business Plan
- Appendix C – Market Position Statement
- Appendix D – Policies and Procedures

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## Background Papers

In the opinion of the proper officer (in this case the Interim Director of Adult Services) the following are the background papers relating to the subject matter of this report:

Agenda and background papers for the meetings of the Cabinet held on 8 February 2018 and 27 September 2018

Agenda for the Health and Well-being Board held on 25 September 2018

Competition and Markets Authority report (November 2017) into the viability of the adult care market

National Audit Office report 'Financial Sustainability of local authorities 2018

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**CABINET**  
**15 NOVEMBER 2018****COUNCIL-PROVIDED DAY SERVICES FOR ADULTS WITH  
A LEARNING DISABILITY AND CONNECT SHORT-TERM  
SERVICE****Relevant Cabinet Members**

Mr A I Hardman, Mr J H Smith

**Relevant Officers**

Interim Director of Adult Services

Director of Public Health

**Local Members**

Mrs R L Dent, Mr N Desmond, Mr R Morris

**Recommendation**

- 1. The Cabinet Members with Responsibility for Adult Social Care and Health and Well-Being recommend that Cabinet:**
  - (a) notes the feedback from formal consultation with individuals using services and carers on the proposal to close the Wyre Forest Connect Long-term Learning Disability Day Service;**
  - (b) notes the feedback from engagement with stakeholders regarding other services located at Wyre Forest Connect (Blackwell Street, Kidderminster), namely the Wyre Forest Connect front desk service, the Wyre Forest Connect drop-in service and the Personal Care Suite;**
  - (c) notes the work carried out on options to remodel the Connect Short-term Service for adults with lower and medium levels of need, specifically the option of aligning the service with the Three Conversation Model social work teams;**
  - (d) notes the detailed Equality Impact Assessment completed on the proposals previously approved by Cabinet on 14 June 2018 in relation to Council-provided Day Services for Adults with a Learning Disability and the Connect Short-term Service;**
  - (e) approves the closure of Wyre Forest Connect Long-term Learning Disability Day Service, Wyre Forest Connect front desk service, the Wyre Forest Connect drop-in service and the Personal Care Suite, with effect from 1 April 2019;**
  - (f) endorses the continuation of the Connect Short-term Service and relocation of the service into the Three Conversation Model social work teams with effect from 1 April 2019, on the basis set out in paragraphs**

**18-22 below, with the detail of implementation and how the service will operate in the future to be decided by the Director of Adult Services and the Director of Public Health;**

- (g) notes ongoing work in relation to the Council's other Learning Disability Day Services (Resource Centres, Connect Long-term Services and Leisure Link) to develop strategies for cost reduction and income generation in order to reduce the gap between the cost of the in-house services and the external sector and deliver planned savings; and**
- (h) authorises the Cabinet Member with Responsibility for Adult Social Care to commence any formal consultation in relation to the services in (g) above, to the extent that any proposed changes are required to achieve the ongoing financial sustainability of the services.**

## **Background**

2. As part of its duties under the Care Act 2014, the Council must meet assessed eligible needs for those people in Worcestershire with a Learning Disability who are eligible for care and support, including the provision of day services where specified in an individual's Care and Support Plan. The Council funds a wide range of day services and opportunities for adults with learning disabilities, currently commissioned from two types of provision – from external providers, through a Dynamic Purchasing System contract (new contract commenced 1 October 2017) and services provided internally by the Council's Adult Social Care Provider Services.
3. The total 2018/19 budget for Learning Disability day services is £4.2 million, of which £1.9 million is spent with external providers, funding just over 200 service users. The total 2018/19 budget for internally-provided Learning Disability Day Services and the Connect Short-term Service is £2.3 million. This is inclusive of a savings target of £0.6 million, agreed in the budget approved by Council in February 2018.
4. The in-house provision consists of 12 separate Day Services across the county for adults with learning disabilities (four Resource Centres, seven Connects and the Leisure Link service) and a countywide Short-term Service which currently operates as part of Connect. 218 adults receive a regular day service in these services and there were 499 referrals to the Short-term Service during the period 1 April 2017 to 31 March 2018. There are 128 FTE staff employed in the services, equating to just under 180 people employed.
5. During the period January to April 2018, a large-scale pre-consultation engagement exercise was carried out with people using services, family carers, staff and other stakeholders to explore options for future delivery of the services. Cabinet received a report on 14 June 2018 reporting the results of the pre-consultation engagement and approved the commencement of formal consultation on the option to close Wyre Forest Connect Long-term Learning Disability Day Service as well as endorsing the development of alternative options for the Connect Short-term Service.

6. Wyre Forest Connect is located in Blackwell Street, Kidderminster. At the start of consultation, seven people (subsequently reduced to five due to two people leaving the service) attended the Long-term Learning Disability Day Service as part of their support package to meet their eligible needs under the Care Act 2014. Of the five current attendees, one individual attends for three days per week, one for two days per week and three for one day per week. The service also offers a number of non-statutory services: a front-desk open from 10am to 4pm Monday to Friday, a weekly Connect Drop-in (10am to 3pm every Tuesday) and a Personal Care suite, open to the public from 10am to 4pm Monday to Friday. The total budget for all of the services operated from Wyre Forest Connect (before any planned savings) is £281,000, made up of a direct budget of £247,000 and £34,000 apportionment of central overheads.

7. The countywide Connect Short-term Service, currently co-located with Connect Long-term Day Services, is a wide-ranging service which provides short-term support to clients over a period of up to 12 weeks. Typical support given is support to access the community and social activities, support to become more mobile, support with finances and form completion e.g. benefits applications, support with housing, and support to find volunteering and employment opportunities. Client groups include people with physical disabilities, older people and people with mental health needs, as well as people with learning disabilities.

8. The core purpose of the Connect Short-term Service is to promote the health and well-being of individuals using the service, and be a preventative service, preventing those being supported from requiring other, higher cost services in the future. The service also aims to reduce escalation of need for specialist NHS services enabling individuals to be healthy for as long as possible, self-managing long-term conditions or avoiding them altogether. The service is funded by £603,000 Public Health Ring-fenced Grant.

### **Wyre Forest Connect – Feedback from Formal Consultation, Assessment of Equality Impacts and Recommendation**

9. Formal consultation with the seven people using Wyre Forest Connect Long-term Learning Disability Day Service and their carers commenced on 25 June 2018 and lasted for 12 weeks, completing on 18 September 2018. This consultation also included discussions with the people who use the service and their carers about the availability of potential alternative options to meet their identified eligible needs as part of their package of care and support. The consultation timeline is included as Appendix 1 and the feedback from the consultation is summarised within the Equality Impact Assessment at Appendix 2.

10. Due to the small number of individuals attending the service, specific consultation feedback has not been included in this report because of potential privacy and data protection implications. However, in summary, people who use the service expressed sadness at the prospect of the service closing, but all already access services with alternative providers or Personal Assistants on other days. Some people using the service were already beginning to identify where they would want to go to receive support if Wyre Forest Connect closes. Two people have stopped using the service during the consultation period. Consultation with carers of people who use the service indicated a low level impact for carers if the service closes due to the fact that the people they care for already access alternative services other

days of the week. Carers were able to appreciate the financial/value for money driver to close the service based on the low level of usage.

11. Social worker reassessments of care and support needs for each person currently using the service have been carried out and alternative services have been identified which it is considered would be suitable to meet people's eligible needs. Other similar services in Kidderminster and the surrounding area which hold contracts with the Council and which would potentially be able to meet eligible needs are the Odell Centre, Emily Jordan Foundation, Reach Community Services, Fundamentals, Muddy Boots, EduLife, Nineveh Ridge and Wildgoose. People are also able to access services using a direct payment if they wish to organise their own provision. If the decision is taken to close Connect Wyre Forest, social workers will develop support plans with individuals as appropriate to identify which alternative services would be the most appropriate to meet eligible needs, and ensure the transition to new services is as smooth as possible for individuals and their carers.

12. Detailed information is also included in the Equality Impact Assessment in relation to work done to assess and mitigate the impacts of potentially closing the Wyre Forest Connect Front Desk service, the Wyre Forest Connect drop-in services and the Personal Care Suite located in Blackwell Street, Kidderminster. These are discretionary services with a non-fixed client base; the services were not subject to formal consultation requirements. However, stakeholder consultation and engagement included letters to people known to have access to and/or use these services, questionnaires for people known to currently use the services, discussions with local partner organisations and representative groups and discussions with staff.

13. In relation to the Front Desk service, evidence suggests use is limited and there are alternative provisions of this type available in the area (for example Hub service provided at Kidderminster Library by Wyre Forest District Council). Feedback on the Wyre Forest Drop-In service shows that people value this service predominantly as a social opportunity and also for information and advice. It is considered that alternative services available would be sufficient to meet these needs and to meet the Council's duty to provide information and advice under s.4 of the Care Act 2014. People can make contact with their District Hub or with the County Council Access Service where social workers will provide information, advice and signposting through the conversations they have with people during their interaction with them. Alongside this, the Council continue to provide information and advice through the County Council's website. A full plan for mitigation of impacts is included in the Equality Impact Assessment at Appendix 2.

14. In relation to the Personal Care Suite located at Connect Wyre Forest, there is limited evidence of the actual usage of the facility by members of the public and no responses were received to letters sent to the holders of key fobs for the facility. Other disabled toilets are available in Kidderminster, however the facility in Blackwell Street is the only 'Changing Places' personal care suite. Commissioners have explored whether any partners would be able to take on the running of this facility but no alternative provider has been identified to date and it is therefore proposed that the service would close with the building, should that decision be taken by Cabinet. It should also be noted that it is not a statutory duty of the County Council to provide this type of service.



15. The total budget for all of the services operated from Wyre Forest Connect is £281,000, made up of a direct budget of £247,000 and £34,000 apportionment of central overheads. After re-providing a day service for the individuals who currently attend (approximately £35,000 cost), removing the cost of the Wyre Forest element of the Short-term service (approximately £85,000) and allowing for the fact that no immediate saving can be delivered against corporate overheads, it is estimated that the closure of Connect Wyre Forest would generate an ongoing saving against the Council's revenue budget of approximately £127,000 per annum. There are likely to be some one-off costs of vacating the rented property to comply with the terms of the lease, which have been estimated at £75,000, although this cost will be mitigated should an alternative use be found by the Council for the building. These one-off costs, should they need to be incurred, would be funded by Adult Services capital budget. Revenue savings generated will contribute to savings targets for day services (see paragraphs 39-43 below).

16. Based on the results of the formal consultation and assessment of equality impacts, and the reasons set out in paragraphs 9-15 above, it is recommended that Cabinet approve the closure of the Connect Wyre Forest Long-term Learning Disability Day Service and the withdrawal of services from Blackwell Street, Kidderminster, including the closure of the Front Desk Service, the Wyre Forest Connect Drop-in and the Personal Care Suite located in the Blackwell Street building. The Wyre Forest Connect Short-term Service will be included in options for the Short-term Service outlined below and relocation of those staff who work predominantly on the Short-term Service will therefore be included in the wider piece of work to restructure that service.

17. Efforts will be made to mitigate any negative equality impacts identified from the proposed closure, as outlined in Appendix 2. For the five current attendees impacted by the closure of the Connect Wyre Forest Long-term Day Service, social worker reassessments have been carried out and suitable alternative services identified. This work will continue and will be built into finalised support plans should closure of the service be approved by Cabinet.

### **Connect Short-term Service – Results of Engagement on Options for Future Delivery and Next Steps**

18. The engagement work and activity analysis, reported in detail in the report presented to Cabinet on 14 June 2018, demonstrated the role that the Connect Short-term Service currently plays in supporting individuals to achieve outcomes which improve their health and wellbeing and in meeting unmet needs, particularly in relation to individuals with lower or medium-level needs. The engagement also identified synergies between the work of the Connect Short-term Service and the work of the Three Conversation Model social work teams, and pointed to the need to strengthen the service specification and monitoring arrangements to provide additional evidence of achievement of Public Health outcomes.

19. The Three Conversation Model is a strengths-based approach to social work which considers an individual's own strengths and capabilities and builds on the resources and resilience that an individual already has, including family, friends and the wider community. The approach focuses on an ongoing conversation about how the individual and their wider networks can support and increase their own

independence. It has recently been implemented for most social work teams in Worcestershire.

20. The option to relocate the Connect Short-term Service into the Three Conversation social work teams has been worked up in detail to establish how this proposed change can be implemented in order to achieve the outcomes specified in the most effective way. A proposed model has been developed based around a revised service specification for the Connect Short-term Service, which retains the identity of the service while aligning Connect workers to localised Three Conversation teams, with day to day links at a practice level to Neighbourhood teams in GP clusters also incorporated. Further information in relation to how the service will meet Public Health outcomes is set out below in paragraphs 33-38.

21. It is proposed that we will implement a new operating model for the Short-term Connect Services by 1 April 2019; we will consult with our Trade Unions and Staff in line with our Core Employment policies and procedures. Due to the fact that Public Health Ring-fenced Grant funds the service, it is proposed that internal contracting mechanisms be put in place, performance will be carefully monitored against performance indicators and continuation of the service will be dependent on performance against the agreed indicators. If performance is not delivered, improvement plans and re-design will be developed. Ongoing review of the specification and close monitoring of health outcomes being delivered will ensure value for money against Public Health Ring-fenced Grant investment, and the best possible outcomes for residents.

22. Cabinet is asked to endorse this approach and direction of travel which has been based on the results of the pre-consultation engagement, the analysis of the service and requirements of Public Health Ring-fenced Grant funding. If agreed, the detail of implementation and how the service would operate in the future would then be decided by the Director of Adult Services and the Director of Public Health.

### **Other Long-term Learning Disability Day Services (Resource Centres and Connects Long-term Services) and Leisure Link**

23. Following the pre-consultation engagement exercise and the 14 June 2018 Cabinet report, work has been commenced by the services, working with commissioners, to identify opportunities for further cost efficiencies and income generation. This work has already generated a number of efficiencies which have already been implemented and it is expected that around £0.3 million of the £0.6 million savings target will be delivered either through vacancy management, efficiencies or additional income opportunities during 2018/19.

24. The proposals to move the Connect Short-term Service into the Three Conversation social work teams will involve a restructure of the staffing in the Connect service and the opportunity will be taken to ensure that the management and the staffing structures of all the Council-provided day services (including Resource Centres, Connect Services and Leisure Link) reflect the requirements of the new service specifications to deliver the outcomes required and best value for money. The results of the engagement exercises carried out with people using the services, carers and staff will continue to be used to inform any reorganisation of services in the future.

25. There are no proposals at the current time for further changes to the other Long-term Learning Disability Day Services, other than the operational changes outlined in paragraphs 23 and 24 above. Given the scale of the previous pre-consultation engagement, which has been reported in detail in previous Cabinet meetings, it is proposed that, should any future proposals be brought forward which require formal consultation with people using services and carers, the approval to commence consultation be delegated to the Cabinet Member with Responsibility for Adult Social Care.

## **Equality and Diversity Implications**

26. The Council must, during planning, decision-making and implementation, exercise a proportionate level of due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010
- Advance equality of opportunity between people who share a protected characteristic and those who do not
- Foster good relations between people who share a protected characteristic and those who do not.

27. The proposals set out in the 14 June 2018 Cabinet report have been fully assessed in relation to equality impacts and the results are summarised in paragraphs 9-17 above and in Appendix 2.

28. The Equality Impact Assessment indicates some potentially adverse impacts on people with a disability if the decision is taken to close Wyre Forest Connect Long-term Day Service and facilities based in Wyre Forest Connect. Actions to mitigate any adverse impacts have been identified in Appendix 2 along with a plan for monitoring and review. Positive impacts on people with a disability are identified as a result of the proposed alignment of Short-Term Connect to the Three Conversation Model social work teams and by ensuring that the Council's in-house Learning Disability Day Services are financially sustainable, which will contribute to increased choice and quality of available day services for people with a learning disability.

## **Legal and HR Implications**

29. The Council has a duty to promote the well-being of individuals in its area under the Care Act 2014 and to provide a range of social care services for meeting assessed eligible care and support needs of adults, including care and support needs resulting from disabilities. The Council also has a duty to prevention under s2 of the Care Act 2014 and a duty under s4 to provide information and advice. Under the Health and Social Care Act 2012, the council has a duty to improve the health and well-being of its local population, and to have regard to narrowing health inequalities.

30. As described in paragraph 11 above, if the decision is taken to close Connect Wyre Forest, duties to meet eligible care and support needs for those individuals who currently attend will be addressed through appropriate support planning to access alternative provision. Care Act duties in relation to prevention, wellbeing and information and advice will be met countywide through the continuation of the Connect Short-term Service and integration with the Three Conversations Model,

through the Council's Access Service which provides information, advice and signposting, via the Council's website, and locally in the Wyre Forest area through other available access and information services such as District Hub.

31. The Council values the feedback and input of its residents and users of services to inform service development. In order to inform its proposals, as well as meeting required legal duties, the Council has carried out consultation with individuals using services and family carers, and will give proper consideration to the outcomes of consultation before any substantive decision to implement any proposal is made.

32. Appropriate statutory consultations with staff will also be carried out as appropriate based on the nature of proposals and the impact on specific staff groups. Any changes to staffing arising out of future proposals would be subject to the Council's Human Resources Policies and Procedures.

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

33. The Connect Short-term Service is funded by £603,000 of Public Health Ring-fenced Grant and future service design therefore needs to be clearly shaped by a robust public health evidence base, with the work of the service clearly achieving an improvement in health and well-being and a narrowing of health inequalities, as evidenced through the Public Health Outcomes Framework. This requires a strong focus on promotion of good health outcomes and prevention of physical and mental ill-health, with a whole population lens.

34. The proposals contained in this report in relation to service redesign of the Connect Short-term Service are supported by the engagement and analysis work previously reported to Cabinet in June 2018. A service specification will be developed based on securing outcomes specified in the Public Health Outcomes Framework, in order to maximise positive health impacts. The service specification will draw on further co-production work in line with the wider Council commitment to co-production.

35. The two high level Public Health outcomes which need to underpin services funded by Public Health Ring-fenced Grant are "Increased healthy life expectancy" and "Reduced differences in life expectancy and healthy life expectancy between communities". The relevant domain objectives for the Short-Term Service are "People are helped to live healthy lifestyles, make healthy choices and reduce health inequalities" and "Reduced numbers of people living with preventable ill-health and people dying prematurely, while reducing the gap between communities".

36. The new specification for the Connect Short-term Service will directly address these objectives through short-term interventions which deliver the following aims:

- To promote the physical and mental health and well-being of individuals using the service, by better supporting people to manage their own health
- To identify when a non-clinical intervention will produce the best experience and outcomes for individuals and reduce escalation of need for specialist health services, enabling individuals to be healthy for as long as possible, self-managing long-term conditions or avoiding them altogether
- To prevent those being supported from developing ill-health and health-related care and support needs

- To help individuals to learn new skills and retain or regain skills so they can increase confidence and independence, through harnessing an individual's strengths and assets
- To link individuals with social support systems available locally in their communities, better enabling them to access these resources independently.

37. These outcomes will be enabled by support with areas such as developing and maintaining family or other personal relationships, accessing and engaging in work, training, education or volunteering, enabling people to take part in their local community, making use of facilities or services in the local community, enabling people to deal with housing-related issues, enabling people to manage their finances and enabling people to plan for the future.

38. The impact of interventions will be measured through an outcomes monitoring framework, incorporated into Three Conversations workflow, which records baselines before intervention and evidences the impact following intervention.

## **Financial Implications**

39. The Medium Term Financial Plan approved by Full Council on 15 February 2018 anticipated a need for around £65 million of expenditure reductions or increases in income over the 3 year period 2018/19 to 2020/21. The subsequent report to Cabinet on 27 September 2018 identified a forecast overspend of £14.2 million in 2018/19, along with additional proposals to address the potential position. There is a risk to the Council's overall sustainability and delivering Social Care to those that need it most if expenditure reductions or increases in income are not delivered as required.

40. The total 2018/19 net budget for internally-provided Learning Disability Day Services and the Connect Short-term Service is £2.3 million (inclusive of the savings target outlined in paragraph 41 below). Since 2016/17, the general prevention element of the Connect service (the Connect Short-term Service) has been funded by Public Health Ring-fenced Grant, with total funding of £0.6 million allocated in 2018/19.

41. Savings of £611,000 in total for 2018/19 in relation to Learning Disability Day Services were agreed in the budget approved by Council in February 2018. The proposals outlined in this report in relation to Wyre Forest Connect would deliver approximately £127,000 from 2019/20 onwards. Work is ongoing to deliver the remaining £484,000, including through the restructure of Connect services as outlined in this report, as well as the work which has already been commenced by the services to deliver cost efficiencies and additional income.

42. In total, it is expected that around half of the £611,000 savings target will be delivered either through vacancy management, efficiencies or additional income opportunities during 2018/19, including one-off savings opportunities. However, as reported to Cabinet in June 2018, due to the nature of some of the proposals and related consultation requirements the savings are not likely to be delivered in full on a recurrent basis until 2019/20.

43. A wider review of all Council-provided adult services is also in progress, as part of the management actions identified in the 27 September 2018 report to Cabinet,

with a view to ensuring that value for money and potential savings opportunities are maximised.

## **Supporting Information**

- Appendix 1 – Consultation Timeline
- Appendix 2 – Full Equality Impact Assessment completed 2 October 2018

## **Contact Points**

### County Council Contact Points

County Council: 01905 763763

### Specific Contact Points for this report

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## **Background Papers**

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

Agenda and background papers for the meetings of the Cabinet held on 2 November 2017, 14 June 2018 and 27 September 2018

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

## Appendix 1 – Consultation Timeline

<b>Carer and Service User Consultation Connect Wyre Forest - Timeline</b>	
<b>Activity</b>	<b>Date</b>
Letter sent to carers with outcome of June cabinet meeting	21 June 2018
Initial telephone calls to carers	W/C 25 June 2018
Market scoping, including capacity of local alternative providers.	June - July 2018
Meeting with carers	11th July at Wyre Forest Connect.
Follow up letter and call to carers who didn't attend meeting	12 July- 5 September 2018
Individual Service User consultation with Speakeasy and Commissioning Managers.	14 August 2018 5 September 2018 7 September 2018
Letter sent to registered users of Personal Care Suite	August 2018
Questionnaire for users of the drop-in	July-August 2018
Closure of consultation	18 September 2018

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## WORCESTERSHIRE COUNTY COUNCIL EQUALITY IMPACT ASSESSMENT TEMPLATE

### Background information:

Name:	Amanda Blackton and Emma Allen
Job Title:	Commissioning Manager
Service area:	Commissioning Unit
Directorate:	Directorate of Adult Services
Telephone:	01905 846237
Email address:	adultservicesandhealthcommissioningunit@worcestershire.gov.uk
Date assessment commenced:	24/04/2018
Date assessment completed:	02/10/2018

### Function, strategy, project, policy or procedure being assessed:

Name of the function, strategy, project, policy or procedure being assessed:	Review of Council Provided Day Services for Adults with a Learning Disability and Connect Short-term Service
Is this a new or an amended policy?	New
Does the policy form part of a wider programme which has already been screened for equality relevance?	Yes, part of Review of In-house Learning Disability Day Services – EIA screening previously completed on 6th September 2017 which indicated full EIA needed.

### Stage 1 - Please summarise the main objectives, aims and intended outcomes of this policy

Aims/Objectives:	<ol style="list-style-type: none"> <li>1. To ensure we continue to meet our duties under the Care Act 2014 by providing a vibrant and varied range of quality day service options for adults with learning disabilities and their carers who are assessed as eligible for care and support.</li> <li>2. To ensure day services for adults with a learning disability across the board provide best value in terms of cost and quality, in particular ensuring that council-run day services are competitive in terms of price and in meeting outcomes identified in the service specification used for contracts with the external market, and that services are equitable across the county.</li> <li>3. To ensure in-house services are fully utilised, and potentially end provision of services where there is little demand and therefore value for money cannot be evidenced.</li> <li>4. To contribute towards the £611,000 savings target against Learning Disability Day Services for 2018/19 and</li> </ol>
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	<p>2019/20.</p> <p>5. To ensure that the Connect Short-term Service is used to promote Health and Wellbeing and to reduce the need for higher cost services, enhancing the 3 conversation model, and that any potential efficiencies are identified.</p>
Intended outcomes:	<p>1. There will be an improved variety and quality of day services for people with learning disabilities living in Worcestershire as a whole, based on a mixed market of services available. Service users and carers will feel that there is increased choice about where and how their day services are delivered.</p> <p>2. Service users and carers outcomes are met by the day services they use.</p> <p>3. The identified gap between the cost of the council run services and comparable externally purchased services will be reduced. (Resource Centres cost in total approximately £266,000 more than externally-purchased services, and Connect Learning Disability Day Services approximately £480,000 more).</p> <p>4. Connect Short-term Service will be able to evidence that they are promoting Health and Wellbeing and preventing the need for higher cost packages of care.</p> <p>5. Leisure Links will not require council funding.</p> <p>6. Deliver savings in line with the target of £611,000 for Learning Disability Day Services for 2018/19 and 2019/20.</p>
Please summarise how these outcomes will be achieved?	<p>1. In relation to the Council's four Resource Centres, commissioners will work with the Council's Adult Social Care Provider Services to develop strategies for cost reduction and/or income generation in order to reduce the gap between the cost of the in-house services and the external sector.</p> <p>2. In relation to the Connect Short-term Service, to explore the option of aligning the service with the ongoing development of the Three Conversation Model. This will also include options for the Wyre Forest Connect reception desk service and the Connect drop-in services.</p> <p>3. To commence formal consultation on the proposal to close the Wyre Forest Connect Long-term Learning Disability Day Service and the re-provision of services for the seven (subsequently reduced to five) individuals who currently use this service. The potential closure of Wyre Forest Connect will impact on</p> <ul style="list-style-type: none"><li>• Day Service</li><li>• Drop in</li><li>• Front Desk</li><li>• Changing Places personal care suite which is an</li></ul>



	<p>enhanced public disabled access toilet at the Wyre Forest Connect base</p> <p>4. In relation to the other six Connect Learning Disability Day Services and Leisure Link, Commissioners will work with the Council's Adult Social Care Provider Services to produce options to redevelop and remodel the services on a service by service basis to reduce the gap between the cost of the in-house services and the external sector.</p> <p>5. Permanently relocate Connect Droitwich, previously based at Kingfields in Droitwich, to the Wendron Centre, Bromsgrove.</p>
<p>Where an existing policy is to be amended please summarise principle differences between the existing and proposed policies?</p>	<p>N/A</p>

## Stage 2 - Information gathering/consultation

<p>Please give details of data and research which you will use when carrying out this assessment:</p>	<p><b>Phase 1 (pre June 2018 Cabinet):</b></p> <ol style="list-style-type: none"> <li>1. Occupancy data of Resource Centres and Connect Day Services.</li> <li>2. Unit cost comparison between Council-provided services and the cost of external services benchmarked against the Council's current external day services contract.</li> <li>3. Public Health Analysis of usage and outcomes for Connect Short-term Service.</li> </ol> <p><b>Phase 2 (post June 2018 Cabinet): Wyre Forest Connect closure proposal</b></p> <ol style="list-style-type: none"> <li>1. Wyre Forest Connect Front Desk usage figures and referral type data.</li> <li>2. Wyre Forest Connect Drop-in and Personal Care Suite - figures not routinely collected due to nature of service.</li> </ol>
<p>Please give details of any consultation findings you will use when carrying out this assessment:</p>	<p><b>Phase 1 (pre June 2018 Cabinet):</b></p> <p>Pre-consultation engagement commenced on 29 January 2018 and has continued to March 2018. In total, 27 meetings have been held attended by approximately 92 carers and 142 staff. Speakeasy NOW have worked with the Council to engage with people using services, and have spoken to over 200 adults with learning disabilities. Individual conversations have also been held with carers, staff and service users where required. Wider stakeholders have been engaged at representative groups, through 1-1 meetings and through a survey on the Connect Short-term Service.</p>



	<p>A survey of social workers views of council provided day services has also been undertaken.</p> <p><b>Phase 2 (post June 2018 Cabinet): Wyre Forest Connect closure proposal</b></p> <ol style="list-style-type: none"> <li>1. Consultation with carers of people who use Wyre Forest Connect Day Service by telephone, meetings and letter to ascertain impact of potential closure of service and including discussion of availability of potential alternative options.</li> <li>2. Consultation led by Speakeasy through one to one meetings with people who use the Wyre Forest Connect Day Service to ascertain impact of potential closure of service.</li> <li>3. Seven individuals with a fob to access the Personal Care Suite written to and asked about their usage and impact if no longer available. Also letters given to people who dropped in to use facility during the day.</li> <li>5. Engaged with District and Town Council to explore options for maintaining personal care suite.</li> <li>6. Questionnaire offered to people attending the drop in at Wyre Forest Connect during August 2018 to ascertain impact of drop-in service relocating or not being available.</li> </ol>
Do you consider these sources to be sufficient?	Yes
If this data is insufficient, please give details of further research/consultation you will carry out:	Not applicable
Please summarise relevant findings from your research/consultation:	<p><b>Phase 1 findings:</b></p> <p>Overall, carers and service users emphasised how important the council provided services were to them.</p> <p><b>Resource Centres</b> The pre-consultation engagement work has generated a significant number of ideas and options for increasing usage, generating income and reducing costs to enable more efficient operation of these services e.g. by making better use of the buildings, facilities and staff expertise and experience, better marketing of services offered especially to younger people.</p> <p><b>Connect Short-term Service</b> Both the engagement work to date and the Public Health outcomes analysis have identified significant synergies between the work of the Connect Short-term Service and the work of the</p>



Three Conversation Model social work teams. Staff noted that they often fulfil "social work" roles in their activity in the short-term service and the ethos of promoting independence runs through both service areas. Connect workers use an asset-based/strengths-based approach, fitting with the Three Conversation Model ethos. Workers in the new Three Conversation sites have reported that the availability of Connect services has been an important factor in the success of their work to date and there is evidence of increased referrals to the Connect Services in areas where the Three Conversations Model is in operation.

### ***Connect Learning Disability Day Services***

There are significant variances between the costs, usage and therefore the financial sustainability of Connects Learning Disability Day Services across the county. The pre-consultation engagement work has generated a significant number of ideas and options for increasing usage, generating income and reducing costs to enable more efficient operation of the services, although it is acknowledged that the financial gap between the cost of the Connects Learning Disability Day Services and the external market cost is greater than that for Resource Centres. The financial sustainability gap for Wyre Forest Connect is significant, at £154,000 per annum. The number of regular attendees is very low and means that ongoing financial sustainability is unlikely to be achievable, particularly given the range of other external day services available in the Wyre Forest area.

### ***Leisure Link***

Leisure Link provides fortnightly social and sports clubs and a weekly music group. Although the service operates in Wyre Forest, it is accessed by people from a wider area (although predominantly north of the county) and has a membership of over 100 people. Approximately 65 people attend the social club, 25 the sports club and 9 the music group.

Although Leisure Link is not a statutory service, carers emphasised how valued the service, particularly the social club, is to those who attend and expressed their concerns if the service was not to continue. Many attendees have been attending for many years; people feel that the club increases independence and enables them to be themselves.

### **Phase 2 findings: Wyre Forest Connect closure proposal**

1. Consultation with people who use the Wyre Forest Connect Day Service (7 individuals subsequently reduced to 5). People who use the service expressed sadness if the service closed but all access services with alternative providers or Personal Assistants on other days. A transition to another provider would not be too difficult. Some were already beginning to identify where they would want to go.



2. Consultation with carers of people who use Wyre Forest Connect Day Service indicated a low level impact for carers as the people they care for already access alternative services other days of the week. Carers were able to appreciate the financial/ value for money driver to close the service based on the low level of usage.

People raised the following points:

- Would not want to be forced to go somewhere.
- People enjoy doing a variety of activities with different providers so although sad to lose the Connect, it won't impact too much as long as there is a suitable alternative.
- Would like a time to transition to new service
- Concerns raised about what would happen to staff.
- Friendships are important and need to be maintained.

The following reassurances to concerns expressed were given:

- No one would be forced to go somewhere they didn't want to.
- Suitable alternative provision is available and a social worker would work with them to build a new support plan if the decision is taken to close Wyre Forest Connect.
- We would envisage a transition involving tasters etc.
- There is potential for people to go to the same provider if they have a friendship that is important to them.

3. Wyre Forest Connect Front Desk Usage Figures.

There were 74 referrals recorded over a 6 month period September 17 to Feb 18, which equates to approximately 12 people a month using the service.

4. Questionnaire for the Connect Drop-in: 11 people completed a questionnaire during August 2018. 9 out of the 11 people attended weekly. 5 people had been using it for over 5 years, 4 for between 1 and 4 years and 2 for just a couple of weeks. All respondents saw it as a social opportunity and 4 mentioned using it as an opportunity to get information and advice from the staff. 8 out of the 11 had other social opportunities during the week. Everyone felt it would have an impact on them socially if it closed. Most would consider another venue if it were accessible.

5. Personal Care Suite: We received no response from the letters sent to the seven individuals who hold a fob to access the Personal Care Suite and there were no responses to the letters available on the front desk. One response to the drop in questionnaire noted concern at potential closure of the suite as they felt it was 'ideally located'.

6. Engaged with District and Town Council to explore options for maintaining personal care suite. We are still in discussion with the Town Council.

## Stage 3 - Assessing the equality impact of the policy

Based on your findings, please indicate using the table below whether the policy could have an adverse, neutral or positive impact for any of the protected groups:

Protected characteristic	Adverse	Positive	Neutral
Age	<input type="checkbox"/>	<input type="checkbox"/>	x
Disability	x	x	<input type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input type="checkbox"/>	x
Marriage and civil partnership	<input type="checkbox"/>	<input type="checkbox"/>	x
Pregnancy and maternity	<input type="checkbox"/>	<input type="checkbox"/>	x
Race	<input type="checkbox"/>	<input type="checkbox"/>	x
Religion and belief	<input type="checkbox"/>	<input type="checkbox"/>	x
Sex	<input type="checkbox"/>	<input type="checkbox"/>	x
Sexual orientation	<input type="checkbox"/>	<input type="checkbox"/>	x

<p>Please provide details of all positive and adverse impact you have identified:</p>	<p><b>Adverse impact on people with a disability</b> Potential closure of Wyre Forest Connect including:</p> <ul style="list-style-type: none"> <li>• Day Service – potentially adverse impact on the five people who attend</li> <li>• Drop in – potentially adverse impact for those who attend in relation to their social outcomes</li> <li>• Front Desk – service which currently provides information, advice and support in Kidderminster no longer available</li> <li>• Changing Places personal care suite which is an enhanced public disabled access toilet at the Wyre Forest Connect base – reduction in facilities in the Wyre Forest area</li> </ul> <p><b>Positive impact on people with a disability</b> Alignment of Short Term Connect to 3 Conversations Model social work teams will enable services to be focussed more effectively on outcomes such as health promotion and promoting independence, therefore supporting people to remain independent and healthy for longer.</p> <p>Ensuring that the Council's in-house Learning Disability Day Services are financially sustainable will contribute to increased choice and quality of available day services for people with a learning disability.</p>
<p>Where possible please include numbers likely to be affected:</p>	<p><b>Adverse impact on people with a disability</b> Potential closure of <b>Wyre Forest Connect</b>:</p>



**Day Service** – Initially 7 individuals and their carers but 2 have since left the service.

**Drop In** - By the nature of the drop in service, numbers are not routinely recorded but during August 2018 11 individuals completed questionnaires.

**Front Desk** – 74 people were recorded as using the service over a 6 month period September 2017 to February 2018, which equates to approximately 12 individuals a month.

**Changing Places Personal Care Suite** - Due to the nature of this service, usage figures are not routinely collected, but there are currently 7 people who are registered and have a fob to access these facilities.

### **Positive impact on people with a disability**

Alignment of **Short Term Connect** to 3 conversations model: There were 499 referrals to the Short-term Service during the period 1 April 2017 to 31 March 2018.

Increased choice and quality of available **day services for people with a learning disability**. Around 400 people currently receive a day service as part of a funded package of support from the Council. Of these, 218 adults currently receive a regular day service in either the Connect or Resource Centres.

Where potential adverse impact has been identified, can continuation of the proposed policy be justified?

Yes

If yes, please explain your reasons:

Closure of the following services operated from Wyre Forest Connect is estimated to generate a saving of £127,000.

**Wyre Forest Day Service** - For the five individuals and their carers identified at Wyre Forest, a choice of alternative provision is available in the locality. We cannot justify the cost of the provision for the individuals concerned when there is potentially alternative provision locally which could meet needs at a reduced cost. Feedback from carers and users during the consultation also recognised the importance of value for money and the availability of alternative options.

**Wyre Forest Front Desk** - Worcestershire County Council does not provide a front desk function in any other area except Wyre Forest and therefore current provision is not equitable across the county. Evidence suggests use is limited. There are alternative provisions of this type available in the area (for example Hub service provided at Kidderminster Library by Wyre Forest District Council, Age UK Bromsgrove, Redditch and Wyre Forest Citizens Advice Wyre Forest, Wyre Forest Customer Service Centre North Worcestershire Disability Information Advice Line). Impact on alternative providers should be low given numbers accessing front desk.





**Wyre Forest Drop In** – Feedback from questionnaire shows that people value this service predominantly as a social opportunity with the majority of respondents already accessing other social opportunities. It would be important to find alternatives for those who don't have any other social opportunity. For those who use it for advice and information, they would need to be signposted to other providers of advice and information. For both these areas, referral and access to the Short-term Connect Service could be facilitated as required.

**Wyre Forest Changing Places Personal Care Suite** - Other disabled toilets are available in Kidderminster, however the facility in Blackwell Street is the only 'Changing Places' personal care suite. However, there is limited evidence of the actual usage of the facility by members of the public. No responses were received to letters sent to fob holders. Interest from alternative providers for the service have been explored but it is likely that the facility will close if Connect closes. However, this is not a statutory duty of the County Council to provide.

Do you consider that this policy will contribute to the achievement of the three aims of the Public Sector Equality Duty?

Please indicate which of these aims is achieved through this policy: Yes this policy will help to meet aims two and three.

Please explain how the policy contributes to achievement of any aims you have selected:

**Aim Two** – Ensuring the sustainability of Council-provided Day Services will provide opportunities for people with learning disabilities to have a choice of how they spend their days and the activities they do. The Short-term Connect Service, if aligned more closely to the 3 Conversation Model, will support people with disabilities and older people to access solutions and services in their local communities that other people access.

**Aim Three** - Quality provision will try to integrate people into the communities where they live and encourage people with learning disabilities to undertake activities alongside those people who don't have a disability.

The Public Sector Equality Duty has the following three aims:

1. To eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010.
2. To advance equality of opportunity between persons who share a relevant Protected Characteristic and persons who do not share it.
3. To foster good relations between persons who share a relevant Protected Characteristic and persons who do not share it.

**Stage 4 - Action planning and time frames**

**Please list any actions you will take to mitigate any adverse impact you have identified:**

Planned action	By whom	By when	How will this be monitored
<b>Wyre Forest Day service</b>			
Alternative provision in the area researched and given to service users and carers.	Commissioning Managers	End of formal consultation - 21st September 2018	Any placements will be ongoing monitored via social work review
If a decision is made to close the service, a social work review will be offered to the 5 individuals impacted to identify and arrange most suitable alternative.	Social Workers	If decision to close taken, reviews will take place between end of November and 31 <sup>st</sup> December 2018.	Any placements will be monitored via social work review
Tasters and trials prior to any move	Social Workers and staff at WF Connect	Jan – Feb 2018	Any placements will be monitored via social work review
<b>Wyre Forest Personal Care Suite</b>			
Option for alternative management of suite to be explored with District Council, Town Council and the Swan Centre	Commissioning Managers	By November 2018	Dependent on whether alternative option identified.
<b>Front Desk</b>			
Alternative providers of information, advice and signposting in the area identified. (Age UK Bromsgrove, Redditch and Wyre Forest Citizens Advice Wyre Forest, Wyre Forest Customer Service Centre, North Worcestershire Disability Information Advice Line)	Commissioning Managers	By November 2018	Relevant referrals will come either through District Council Hub function or through County Council Access Points or direct to alternative providers who offer information and advice.
<b>Drop in</b>			
Alternatives ways of meeting 'drop in' function to be explored e.g. potential for information and advice function to sit alongside 3 CM's 'surgery'. Explore alternative social drop in's in the area. Referrals	Commissioning Managers	By November 2018	Relevant referrals will come through District County Council Access Points.



to Connect Short-term Service if required/ appropriate.			
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Please indicate how these actions will be taken forward as part of your team/service/directorate planning:	<p>Monitoring of outcomes for people eligible for assessment and/or support in relation to adult social care will be via existing services including Connect Short-term Service, Three Conversation Model and Learning Disability Social Work Teams, as appropriate.</p> <p>Future operation of Learning Disability Day Services in relation to meeting required outcomes will be monitored by Adult Services Commissioning Unit via an internal Service Specification. Future operation of Connect Short-term Service will be monitored in relation to Public Health outcomes via an internal Service Specification.</p>
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## Stage 5 - Monitoring & Review

How frequently will proposed action be monitored?	Review of internally-commissioned services monitored regularly in line with Commissioning Cycle.
How frequently will intended outcomes be evaluated?	Timeline for review of outcomes will be determined by the service specifications for the services but likely to be on either a monthly, quarterly or annual basis dependent on the specific service.
Who will be responsible for monitoring and evaluation?	Future operation of Learning Disability Day Services in relation to meeting required outcomes will be monitored by Adult Services Commissioning Unit via an internal Service Specification. Future operation of Connect Short-term Service will be monitored in relation to Public Health outcomes via an internal Service Specification.
How will you use the monitoring and evaluation results?	To be used a part of Review in line with Commissioning Cycle

## Stage 6 - Publication

**Worcestershire County Council requires all assessments to be published on our website. Please send a copy of this assessment to the Corporate Equality and Diversity Team for publication.**

	Signature	Date
<b>Completing Officer:</b>	<b>Amanda Blackton/Emma Allen</b>	02/10/2018
<b>Lead Officer:</b>	<b>Frances Kelsey</b>	02/10/2018
<b>Service Manager:</b>	<b>Morgan Price</b>	02/10/2018

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**CABINET**  
**15 NOVEMBER 2018****A4440 WORCESTER SOUTHERN LINK ROAD STRUCTURES**

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**Relevant Cabinet Member**

Dr K A Pollock

**Relevant Officer**

Director of Economy and Infrastructure

**Local Members**

Mr R Adams, Mr S Mackay, Mr P Middlebrough

**Recommendation**

1. **The Cabinet Member with Responsibility for Economy and Infrastructure recommends that Cabinet:**
  - (a) **recommends to Council that £3.5m of funding necessary to complete the Broomhall Way Footbridge is allocated to the Southern Link Road Phase 3 Dualling Project with funding ultimately being received from developers' s.106 contributions and that the Capital Programme is updated accordingly;**
  - (b) **authorises the submission of a planning application for the construction of the Broomhall Way Footbridge and the completion of any public engagement that is necessary regarding the proposals;**
  - (c) **authorises the expenditure of the allocated funding to enable the delivery of the Broomhall Way Footbridge;**
  - (d) **delegates authority to the Director of Economy and Infrastructure to finalise and award contracts and other necessary agreements for the delivery and future maintenance of the Broomhall Way Footbridge, and authorises the acquisition by the Director of Commercial and Commissioning of any land or rights over such land as are necessary to put the above into effect;**
  - (e) **recommends to full Council that the £3.5m necessary to complete the Crookbarrow Way Footbridge and Upper Battenhall Farm Accommodation Bridge is provisionally allocated to the Southern Link Road Project and that the Capital Programme be updated accordingly, and to vire £0.5m from existing allocations within the Capital Programme; and**
  - (f) **delegates authority to the Director of Economy and Infrastructure to finalise and award contracts and other necessary agreements for the delivery and future maintenance of the Crookbarrow Way Footbridge and Upper Battenhall Farm Accommodation Bridge subject to a suitable funding strategy being**

**approved by the Chief Finance Officer as soon as practicable in consultation with the Leader and the Director of Economy and Infrastructure.**

### **Why are these decisions important?**

2. It is important that these decisions are made now to enable the bridges to be constructed in the next 18 months or so, subject to a suitable funding strategy being approved, thereby ensuring that:
- there are grade-separated facilities in place to enable safe and convenient passage for pedestrians, cyclists and where appropriate, horse-riders, to access services and facilities on either side of the Southern Link Road, as well as accommodating the National Cycle Network and providing cycle links to Worcestershire Parkway Station
  - all of the westbound approach lanes to Norton Roundabout can be opened
  - any impact on the efficient management of Upper Battenhall Farm is minimised
  - agreements reached through the Compulsory Purchase Order process are honoured and compensation payments in the meantime are minimised.

### **Background**

3. The need for dualling the Southern Link Road has been well-rehearsed in previous Cabinet reports (specifically September 2014 and February 2017) and the policies of this Council and in the South Worcestershire Development Plan (SWDP) which have recently been adopted by the constituent Local Planning Authorities. The rationale for dualling the Southern Link Road together with the provision of associated structures is summarised in Appendix A, in particular the accessibility, housing and economic elements that lie at the heart of the case. The consequences of failing to complete the scheme would seriously effect the benefits referred to in the document, particularly the enabling of house building and employment land, improvements in highway capacity, reductions in congestion, improvements in air quality and the delivery of the various factors that support economic growth including the Council's corporate ambitions of Worcestershire being Open for Business.

4. The full scheme proposes that three bridges will be installed over the Southern Link Road between the Ketch and Whittington Roundabouts; the Broomhall Way Footbridge to the west of the Norton Roundabout (funded separately to the rest of the scheme through s.106 Agreements), the Crookbarrow Way Footbridge to the west of the Battenhall Railway Bridge and a Farm Accommodation Bridge to the east of the Battenhall Railway Bridge.

5. The funding originally considered necessary to complete the dualling of the A4440 Southern Link Road, including provision of the Crookbarrow Way Footbridge and the Farm Accommodation Bridge, was allocated by Council on 25 September 2014, however, as the scheme has progressed it has become apparent that further funding is necessary to complete these two bridges.

### **Progress to Date**

6. Highway works are progressing well and it is expected that, following completion of the Battenhall Railway Bridge extension during the rail possession in May 2018, the

dualling under the new bridge will be completed in the current financial year. Designs for all three bridges are either completed or well advanced and the land necessary to accommodate the bridges is either secured or agreements are nearing completion.

### **Purpose of the Bridges**

7. The two footbridges are designed for public use by pedestrians and cyclists and the Crookbarrow Way Footbridge, which connects to a bridleway, can also be used by horse-riders. The bridges will provide essential links between existing and future communities and amenities to the south of the Southern Link Road and those, including the City of Worcester and St Peter's, to the north. The Crookbarrow Way Footbridge will also provide a vital link for cyclists between the City of Worcester and the new Worcestershire Parkway Railway Station as well as being an important link in the National Cycle Network.

8. The Farm Accommodation Bridge is required to provide a link between the two halves of Upper Battenhall Farm which are bisected by the Southern Link Road. Provision of this bridge is required as part of the Compulsory Purchase Order process that was undertaken to secure the land necessary to complete the highway scheme.

9. The proposed locations of the three bridges are shown in Appendix B.

10. Policy SWDP 45 of the adopted South Worcestershire Development Plan requires the provision of a cycle and foot bridge west of the Norton Roundabout (the Broomhall Way Footbridge) to ensure that the proposed residential development to the south of Broomhall Way is not severed from Worcester City to the north and essential services such as shops, medical facilities and schools. The developers (Seven Capital, St Modwen and Welbeck) have agreed to fund the estimated £3.5m cost of the bridge through s.106 Agreements and the County Council has undertaken to construct it. The Seven Capital s.106 Agreement has been signed and it is expected that the St Modwen and Welbeck Agreements will be signed shortly. Under the terms of the s.106 Agreements the developers are required to make staged payments before the occupation of a specified number of dwellings can take place. Due to the uncertainty of the rate at which the homes will be built and then occupied, it is not possible to accurately predict when the payments will be made, however, it would be reasonable to assume receipt of around £0.5m by mid-2020 and the balance of around £3m between 2020 and 2022. The County Council will need to forward fund the £3.5m required until receipt of the developer funding in order to construct the bridge, otherwise it could not be installed for several years.

11. It is important that all three bridges are installed within the next 18 months or so to ensure that existing and future communities are adequately and safely connected via grade-separated crossings which will not result in delays to traffic on the Southern Link Road. It is also important that any impact on the efficient management of Upper Battenhall Farm is kept to a minimum. It should be noted that compensation is payable to the land owner for the period that the bridge is not in place.

12. Cabinet is therefore being asked to recommend to Council that the £3.5m of gap funding necessary to complete the Broomhall Way Footbridge is added to the Capital Programme.

13. Cabinet is also being asked to authorise a planning application to be submitted for the Broomhall Way Footbridge and for any public engagement that is necessary to support the planning application to be carried out.

14. Cabinet is further being asked to authorise the expenditure of the funding allocated to enable the Broomhall Way Footbridge to be delivered, to delegate authority to the Director of Economy and Infrastructure to award construction contracts and to finalise any agreements necessary for completion of the bridge, and to authorise the Director of Commercial and Commissioning to acquire the land and rights over such land as are necessary to construct and maintain the bridge.

15. In addition, Cabinet is being asked to recommend to Council to provisionally add a further £3.5m to the Capital Programme for the construction of the Crookbarrow Way Footbridge and Farm Accommodation Bridge, and to vire £0.5m from the existing Worcester Transport Strategy Capital Programme provision.

16. Finally, Cabinet is being asked to delegate authority to the Director of Economy and Infrastructure to award contracts to enable the construction of the Crookbarrow Way Footbridge and Farm Accommodation Bridge, subject to a suitable funding strategy being approved by the Chief Finance Officer as soon as practicable in consultation with the Leader and Director of Economy and Infrastructure.

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

17. The dualling of the Southern Link Road is being promoted and delivered as a scheme under general powers of wellbeing and promotion of economic prosperity and highway authority powers. It also is an objective of the Local Transport Plan 4.

18. Delivery of the construction activity will involve the Council entering into construction contracts with properly procured and competent contractors, including the use of existing term contracts. The Council's adopted policies provide the relevant framework for procurement and implementation.

19. There is a legal obligation for the Council to provide the Farm Accommodation Bridge following agreements made during the Compulsory Purchase Order process.

20. Land transfer agreements and easements will need to be entered into with St Modwen and Worcester City Council.

21. Planning Consent has been awarded for the Crookbarrow Way Footbridge but is yet to be secured for the Broomhall Way Footbridge. Planning Consent is not required for the Farm Accommodation Bridge.

22. The Broomhall Way Footbridge is to be funded through s.106 Agreements made between the County Council, Seven Capital, St Modwen and Welbeck.

23. Having conducted a feasibility study, the £3.5m developer contributions are believed to be sufficient to cover the estimated cost of the Broomhall Way Footbridge; however, in the event of the final cost exceeding the budget, the shortfall would be found from other s.106 contributions that are allocated for the implementation of the Worcester Transport Strategy.



24. In summary, a total increase to the Capital Programme of £7m is being requested, with £3.5m conditional on a funding strategy being approved by the Chief Finance Officer as soon as practicable in consultation with the Leader and Director of Economy and Infrastructure along with a virement of £0.5m from the Worcester Transport Strategy Capital Programme provision.

25. This increase will be added to the existing Capital Programme provision for the Southern Link Road Phase 3 Dualling Project, which currently has £11.789m remaining in the Capital Programme, with £21.7m having been spent in previous financial years.

26. Apart from the £0.5m virement, expenditure relating to the £3.5m conditional element of the Crookbarrow Way Footbridge and Farm Accommodation Bridge will not commence, in full or in part, until the funding strategy is approved.

27. Subject to Council approval, the £3.5m relating to the Broomhall Way Footbridge will be funded by developer contributions and the Council is requested to fund this from existing borrowing arrangements until the contributions are received. This will have a marginal impact on borrowing for the time between expenditure being incurred and funding receipt. It is acknowledged that receipt of the s.106 contributions will be delayed if the dwellings are not occupied as early as envisaged.

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

28. Health implications of transport proposals can be identified by assessing opportunities for increased physical activity through cycling and walking. The provision of the two public footbridges is likely to result in more walking and cycling between the communities, facilities and services on either side of the Southern Link Road.

### **Equality and Diversity Implications**

29. An Equality Relevance Screening was completed in respect of the Southern Link Road scheme (see Appendix C). The screening did not identify any potential Equality considerations requiring further consideration during implementation.

### **Supporting Information**

- Appendix A - Worcester Southern Link Road Strategic Summary – available electronically
- Appendix B – Location of the proposed bridges
- Appendix C – Equality Impact Screening – available electronically

### **Contact Points**

#### County Council Contact Points

County Council: 01905 763763

#### 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)

## **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 and background papers for the meetings of Cabinet held on 25 September 2014 and 2 February 2017



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**CABINET**  
**15 NOVEMBER 2018****RESOURCES REPORT – Budget Monitoring Period 6 2018/19**

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**Relevant Cabinet Member**

Mr S E Geraghty

**Relevant Officer**

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 30 September 2018;**
  - (b) **notes the current progress regarding savings plans approved by Council in February 2018;**
  - (c) **notes the current progress on the additional management savings plans to address the forecast position, in particular that the forecast overspend is reducing; and**
  - (d) **recommends Council approves the use of £2.4 million Adult Social Care Winter Pressures grant and updates the revenue budget cash limits accordingly.**

**Introduction**

2. This report details the 2018/19 outturn forecast for the Council's £324 million net revenue budget as at Period 6 (30 September 2018) and progress to date on the savings and reforms programme.
3. The report identifies a forecast overspend for 2018/19 of £8.6 million (an improvement since Period 4 month's forecast of £14.2 million overspend) and notes that this is on course to reduce further to £5 million following the successful completion of a number of management actions to reduce expenditure. This could reduce further following the completion of the current voluntary redundancy scheme. Whilst there is risk that this may not be achieved in full, this will be managed closely to ensure the achievement of a balanced budget by the end of the financial year.
4. A recommendation is also being made for Council to approve use of a new one-off Adult Social Care Winter Pressures grant.

## Summary Revenue Budget Monitoring 2018/19 Forecast at Period 6 (30 September 2018)

5. The County Council has a net budget of £324 million that was set by Full Council in February 2018.
6. This report covers the forecast financial position for the budget at the end of Period 6 (30 September 2018).
7. The overall outturn forecast, as set out in Table 1 below, is for a net overspend of £8.6 million at the end of 2018/19. This includes a £13.0 million forecast overspend on services. The majority of the services forecast overspend arises on Adult Services which totals £14.3 million. However, this is £1 million less than reported at Period 4 following management actions and savings starting to be realised from the full roll out of the three conversations model. The causes of these forecast variations are summarised in the following section at paragraphs 16 to 35, and variances by individual service area greater than £0.25 million are set out in more detail in Appendix 2.
8. Part of the projected overspend relates to non-delivery of some of the 2018/19 saving targets set by Council in February 2018. To date it is forecast that 62.9% (£23.5 million) will be delivered, with a further 5.9% (£2.2 million) classed as amber, and 31.2% (£11.7 million) as red. More detail is set out in the following sections and in detail at paragraphs 36 to 41, with details also set out of the RAG status for each proposal at Appendices 6 and 7.
9. The service forecast (£13.0 million) can be partly offset by a £4.4 million underspend for finance/corporate items, this is projected based on:
  - A one-off saving of £3.3 million on Financing Transactions from deferring the need to take planned external borrowing
  - A one-off saving of £0.5 million following a risk review of fire insurance liabilities and reducing carrying balance in the insurance earmarked reserve
  - A one-off saving of £0.625 million by withholding expenditure from the £0.750 million corporate contingency.

**Table 1: Summary Outturn Forecast as at Period 6 2018/19**

P6 - 2018/19 SLT Revenue Budget Monitoring Forecast by Service												
Service	2018/19 Net Budget	Gross Forecast	Less Budgeted Grants	Less Budgeted Reserve Mvts	Variance Before One-Offs	Less - Capitalisation	Less - Use of Grants	Transfer to / (from) Reserves	Variance After Adjustments	Variance After Adjs	Variance Last Period	Change Since Last Period
	£000	£000	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Dedicated Schools Grant (DSG)	0	7,245	0	0	7,245	0	0	(7,245)	0	-	0	0
Children, Families and Communities (Excl DSG)	96,361	114,559	(15,071)	(1,623)	1,504	(494)	0	0	1,010	1.0%	1,110	(100)
Economy & Infrastructure	63,544	74,312	(6,102)	(5,476)	(810)	(1,560)	0	0	(2,370)	-3.7%	(2,084)	(286)
Commercial and Commissioning	8,047	8,534	(189)	(188)	110	0	0	0	110	1.4%	193	(83)
Chief Executive	532	533	0	0	1	0	0	0	1	0.2%	1	0
Adult Services	125,396	172,886	(30,420)	0	17,070	(1,290)	(1,490)	0	14,290	11.4%	15,188	(898)
Public Health	(831)	27,574	(28,437)	0	(32)	0	0	0	(32)	3.9%	(32)	0
Total : Services (Excl DSG)	293,049	398,398	(80,219)	(7,287)	17,843	(3,344)	(1,490)	0	13,009	4.4%	14,376	(1,367)
Finance / Corporate Items	31,143	22,585	(2,636)	0	(11,194)	(155)	0	6,953	(4,396)	-14.1%	(4,176)	(220)
Funding - Transfer From Reserves	0	0	0	0	0	0	0	0	0	-	0	0
Total (Excl DSG)	324,192	420,983	(82,855)	(7,287)	6,649	(3,499)	(1,490)	6,953	8,613	2.7%	10,200	(1,587)
Total - Funding	(324,192)	(324,192)	0	0	0	0	0	0	0	0.0%	0	0
Grand Total - Services and Funding (Excl DSG)	0	96,791	(82,855)	(7,287)	6,649	(3,499)	(1,490)	6,953	8,613		10,200	(1,587)
Dedicated Schools Grant (DSG)	0	7,245	0	0	7,245	0	0	(7,245)	0		0	0
Total	0	104,036	(82,855)	(7,287)	13,894	(3,499)	(1,490)	(292)	8,613	2.7%	10,200	(1,587)

10. To mitigate the forecast overspend, a range of alternative actions and savings are being implemented as follows:

- Review specific grant income to maximise where this money can be used to fund existing base budget expenditure whilst remaining within the grant conditions
- Review Better Care Fund and Improved Better Care Fund agreements and allocations between the County Council and Health
- Stop, or defer for a period, discretionary expenditure/projects; including tightening controls over spending such as removal of procurement cards and reducing the number of staff who are approved to commit monies
- Increase Fees and Charges mid-year where we can
- Implement a vacancy management process to delay recruitment whilst we review non-critical or change dependent areas or other staffing measures. This will seek where appropriate to remove vacant posts permanently to give rise to recurring savings.

11. In total the senior leadership has identified £12.7 million of additional reform proposals that are being worked through and progressively included in the forecast when appropriate due diligence has been completed.

12. If fully implemented these could, as shown in Table 2, reduce the services overspend forecast to £5 million.

**Table 2: Period 6 Forecast Overspend before and after management savings**

	£m
<b>Services Overspend Forecast Period 6 before actions</b>	<b>18.0</b>
<b>Less New Savings Included at Period 6</b>	<b>(5.0)</b>
<b>Sub Total</b>	<b>13.0</b>
<b>Less New 18/19 Savings not in Period 6</b>	<b>(3.6)</b>
<b>Sub Total Services Overspend</b>	<b>9.4</b>
<b>Less Corporate Savings</b>	<b>(4.4)</b>
<b>Net Overspend Forecast</b>	<b>5.0</b>

13. Progress is being made, recognising that at Period 6 £3.6 million of anticipated savings have still to be included in the forecast. If these are achieved in full there still remains a projected £5 million overspend, which is being addressed through a currently open voluntary redundancy scheme. Further action may be required to balance the 2018/19 budget without draw down from corporate reserves. Work on this and the additional management proposals, as well as managing cost pressures, is a key priority for senior management and Cabinet members, and an update will be provided to a future Cabinet meeting.

14. Any remaining overspend for 2018/19 could be funded by drawing down resources from Earmarked Reserves. As our external auditors (Grant Thornton) identified in their value for money opinion, the Council must look closely at its use of reserves to secure financial sustainability. A factor that is being raised on a national level. As such the focus is to identify savings that will reduce any need to draw further from these reserves, and on recurring proposals as opposed to one-off savings.

15. There are a number of significant cost pressures arising across services at Period 6. Whilst these have been provided to Cabinet previously this year, their updated position is outlined below in more detail.

**Children, Families and Communities – Forecast £1.010 million overspend**

16. The Directorate is forecast to overspend, before any remaining management actions, its £96.4 million budget by £1.010 million at the end of the financial year. That is a reduction from the last Cabinet report.

17. The forecast overspend includes £0.7 million relating to children's social care placements. The current forecast is based on an estimated new demand and the assumption that savings can be achieved. A number of actions are being taken forward to bring the projected overspend down, including a panel review of top-up payments and the development of the edge of care strategy. However, it should be noted that there is a risk that the overspend could increase.

18. The overspend for Home to School Transport is forecast to be £0.6 million. This is based on the costs and activities data within the transport database (Routewise) and the Special Educational Need and Disabilities One System. However, sensitivities still exist within the overall forecast. A number of the children expected within the forecast have yet to



have a statement of their needs completed. There is also a risk that this will have an impact on the number of escorts needed.

19. The pressure on the Dedicated Schools Grant (DSG) has continued this month and is currently projected at £7.2 million, an increase in projection of £0.4 million since the last report to Cabinet. Detailed work is continuing on the budget pressures within the High Needs Block to ensure the accuracy of the forecasts and the impact this will have on the DSG in future years. There is a risk that the forecast overspend may increase further. At the start of the year there was £5.1 million held in DSG reserves, although this was not all earmarked for high needs activity. The pressures on this area were reported to the Schools Forum in July and September 2018 and there will be further discussion at the Schools Forum in November 2018.

#### **Adult Services** – *Forecast £14.290 million overspend before management action*

20. The Adult Social Care budget is forecast to overspend, before management action, its £125.4 million net budget by £14.3 million. That is a reduction of £0.9 million since Period 4. This overspend has arisen due to a combination of:

- Accumulated transformation targets which are no longer felt to be achievable in 2018/19. The base budget for the service included total savings to be achieved in 2018/19 of £14.9 million, including savings carried forward from 2017/18, and an additional adjustment of £4.2 million to reflect opportunities to maximise the benefit of specific grant income (e.g. Better Care Fund). Following a detailed review, £3.2 million of this programme has been identified as undeliverable with a further £5.1 million re-profiled to later years. The current forecast now reflects anticipated delivery of £6.1 million savings in 2018/19, thus placing a significant pressure on 2018/19.
- The Directorate used reserves and one-off grants in previous years to mitigate overspends and demand pressures, however all of these were fully utilised in 2017/18.

21. The causes of variations by specific services arising from changes in saving profiles and demand pressures are as follows:

- A key pressure is Learning Disabilities Residential and Nursing which equates to a forecast £4.2 million overspend. This is mainly due to a delay in achieving savings targets during 2018/19, resulting in an overspend of £1.8 million, and a budget transfer of £0.2 million to in-house Residential Homes to fund increased staffing. The remaining overspend is due to clients joining the service from Continuing Health Care (CHC), hospital placements funded by Health, and other sources.
- Learning Disabilities Supported Living is forecast to overspend by £2.2 million. This is mainly due to clients entering the service from CHC, in-house services, previous clients re-entering the service and clients previously only in receipt of replacement care but now requiring ongoing support, particularly as a result of parents/carers getting older.
- The remaining over spend of £0.3 million is due to a delay in achieving the savings target for In-house Day services.

- Older People Home Care overspend of £1.1 million, this is due to non-achievement of savings and an increase in client numbers from when the budget was approved.
- Older People Residential & Nursing is forecast to overspend by £0.9 million based on the number of clients in the system and allowing for winter pressures.
- Mental Health Residential, Nursing and Supported Living are forecast to overspend by £0.9 million due to an increase in client numbers from when the budget was approved.

22. The above pressures have been mitigated in part by:

- Adult Social Care & Case Management service is forecasting an underspend of £0.4 million due to a number of vacancies that are currently being held within the teams
- Older People Internal Homecare Service is showing an underspend projection of £0.5 million due to a large number of vacancies in this team, and
- The Carers service is forecast to underspend by £0.3 million due to the reduction in flexible breaks.

**Public Health** – *Forecast £0.032 million underspend before management action*

23. The Public Health Service manages a c.£30 million specific grant and a core County Council budget of £0.1 million.

24. The Public Health Directorate is forecast to break even at this stage.

25. During 2018/19 the service have continued to review existing contracts in order to maximise effective use of the Public Health Ring Fenced Grant with savings of £1.04 million forecast to be achieved in line with the budget. This has allowed the service to increase investment in grant eligible services within other Council functions including Trading Standards and Family Support (Children's). In total around £5.6 million of the Public Health specific grant is being invested directly in eligible functions that sit in other services of the Council, in addition to the wider benefit to the Council through the ongoing commissioning of preventative public health services.

26. The Council currently holds earmarked reserves for Public Health totalling £5.76 million for which there are plans for a significant reduction over the next 3 years to manage the overall reduction in the grant payment smoothly.

**Economy and Infrastructure** – *Forecast £2.370 million underspend as a result of management action*

27. It is forecast that at the end of the financial year 2018/19 the Economy and Infrastructure Directorate will underspend its £63.5 million budget by £2.370 million, which is a £0.286 million improvement on Period 5.

28. There has been significant management action undertaken to reduce the Month 4 forecast overspend of £0.5 million to a £2.4 million underspend position. This is mainly as a result of further capitalisation of highways works and associated staff time.

29. It is currently estimated that waste services could overspend against its £30 million budget by around £0.2 million (0.8%).

**Commercial and Commissioning – Forecast £0.110 million overspend**

30. It is forecast that at the end of the financial year 2018/19 the Commercial and Change (COaCH) Directorate will overspend its £8 million budget by £0.110 million, which is £0.083 million less than forecast at Period 5.

31. The budget for Property Services is forecast to overspend by £0.4 million, with £0.15 million relating to savings targets not forecast to be achieved, and £0.35 million on property maintenance costs, which has been offset by a £0.1 million reduction relating to project feasibility costs.

32. The budget for Systems and Customer Access was reduced by £0.25 million following the decision to commence the insourcing of the DxC contract. This activity was delayed to take account of more realistic and achievable timescales, thereby putting the achievement of this budget reduction at risk of non-delivery in the current financial year. The service has now been insourced and the savings will be realised for next financial year.

33. The Directorate position has been partially mitigated by in-year actions, including vacancy management in the Human Resources, Research & Communications team and Commercial Services teams, and work continues to identify solutions to mitigate the overall £0.110 million overspend.

**Finance / Corporate Items – Forecast £4.396 million underspend**

34. The Financial Services budget includes corporate items such as Debt Interest.

The £31.5 million budget for Finance/Corporate items is forecast to underspend in total by £4.396 million as follows:-

- £3.271 million underspend - Financing Transactions Borrowing Costs. An initial forecast for the deferment of borrowing on the assumption that cash balances are maintained across the County Council and that there is no forecast for rises in borrowing interest rates
- £0.5 million underspend – Insurance. Following a financial risk review, the Fire Insurance Earmarked Reserve can be reduced by £0.5 million to around £1 million. The Council's maximum financial exposure in any one year under existing insurance policies is £0.5 million
- £0.625 million underspend - Corporate Contingency. A £750k corporate contingency is maintained for 2018/19, against which spending allocations of £125k have been approved. The balance is uncommitted and therefore it is proposed that this contingency will not be used for new spending but will

reported as an underspend to address the current forecast overspend elsewhere across the Council's services.

35. Details of variations for each Directorate are included in Appendices 1 to 4.

### Savings Update

36. The transformation savings target for 2018/19 is £37.432 million. This comprises £31.579 million that was originally planned for 2018/19 and £5.853 million of projects carried forward from previous financial years.

37. Compared with the target of £37.432 million, £23.549 million will be delivered, with a further £2.221 million classed as amber and £11.662 million as red, of which £8.690 million is scheduled to be either carried forward to future years or alternative measures found.

38. Given the Council's limited usable and unspent Earmarked Reserves, discussed later in this report, this forecast position with regard to savings being supplemented by use of reserves is unsustainable.

39. The following table shows the current savings programme, carry forwards from 2017/18 and RAG status for 2018/19.

**Table 3: Summary RAG Assessment at Period 6 of the 2018/19 Savings**

	17/18	18/19 Cabinet	18/19 Revised	C/fwd to	18/19	18/19	18/19	18/19	18/19
Directorate	C/wd	Approved	Target	19/20	Total	Delivered	On Target	Amber	Red
	£000	£000	£000	£000	£000	£000	£000	£000	£000
DAS	5,416	9,479	14,895	8,690	6,205	2,927	1,477	1,731	70
PH	0	1,040	1,040	0	1,040	0	0	0	1,040
CFC	337	885	1,222	0	1,222	627	543	0	52
E&I	0	1,900	1,900	0	1,900	0	0	300	1,600
COACH	0	1,100	1,100	0	1,100	100	600	190	210
Finance	100	1,475	1,575	0	1,575	1,525	50	0	0
Accounting Adj	0	15,700	15,700	0	15,700	9,000	6,700	0	0
	5,853	31,579	37,432	8,690	28,742	14,179	9,370	2,221	2,972
	% of Revised Target		100.0%	23.2%	76.8%	37.9%	25.0%	5.9%	7.9%

40. The entire £8.690 million of savings carried forward to 2019/20 related to DAS, and this covers 23.2% of the Savings Programme.

41. The full programme with RAG status for each project is included at Appendices 6 and 7. In addition, Appendix 8 sets out the delivery of the additional savings targets approved by Cabinet in September 2018 to address the forecast overspend at Period 4. At this stage £4.9 million (39%) of the £12.7m target has been delivered.

### Corporate Income – Council Tax, Business Rates, Revenue Support Grant

42. The Council's overall budget is funded by a number of corporate income streams, the forecast being shown in Table 4. Corporate income is forecast to achieve the budget and it not expected to change during the year.

**Table 4: Summary of outturn forecast for Corporate Income 2018/19**

<b>P6 - 2018/19 SLT Revenue Budget Monitoring Forecast by Service</b>				
<b>Service</b>	<b>2018/19 Net Budget</b>	<b>Gross Forecast</b>	<b>Variance After Adjustments</b>	<b>Variance After Adjs</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
Revenue Support Grant	(9,436)	(9,436)	0	0.0%
Business Rates Retention Scheme	(61,136)	(61,136)	0	0.0%
Council Tax Income	(251,536)	(251,536)	0	0.0%
Collection Fund (Surplus) / Deficit	(2,084)	(2,084)	0	0.0%
<b>Total - Funding</b>	<b>(324,192)</b>	<b>(324,192)</b>	<b>0</b>	<b>0.0%</b>

### **General Balances**

43. The County Council's General Balances are a contingency sum available to pay for unforeseen or exceptional circumstances. External auditors often refer to the level of general balances when considering an organisation's financial health.

44. Worcestershire's General Fund Balance stand at £12.2 million, or 3.8% of net expenditure. There is no defined minimum balance. It is the responsibility of the Section 151 Officer to advise the Council of that level based on an assessment of risk. At this stage a fuller review is underway against the current forecast use of Minimum Revenue Provision (MRP), and the extent that earmarked reserves are committed. An update will be provided to Cabinet in a future Resources Report.

45. Given the County Council's drawdown of Earmarked Reserves in recent financial years it is important to ensure that General Fund Balances are maintained at least at the current level to support the County Council's financial resilience as it continues to balance the need to deliver services within a challenging medium term cash limit. This was identified by our external auditors in the 2017/18 statutory accounts opinion, and is an issue the Council is keen to address.

### **Earmarked Reserves**

46. All earmarked reserves are retained either under the delegated authority given to Chief Officers in the Financial Regulations or by Cabinet/Cabinet Member approval, this is subject to recommendations jointly by a Chief Officer in agreement with the Chief Financial Officer for carry forward each year.

47. Given that the County Council is forecasting an overspend, this must be a first call on Earmarked Reserves once all options to reduce expenditure during 2018/19 have been exhausted.

48. This will enable the budget to be balanced at the year-end but would require a review of Earmarked Reserves. Management are reviewing earmarked reserves in light of this possibility and this will be included in future Resources Reports to establish the extent to which they already have spending commitments and whether these commitments could be stopped, and to review where reserves are maintained for risk whether they could be prudently reduced.

49. It is important to recognise that to some extent these Earmarked Reserves are already committed as a result of the forecast overspend.

50. Following a review of the Minimum Revenue Provision (MRP) charge for 2018/19, a recurring (but time limited) saving of £7.5 million has been added to a financial risk reserve as approved as part of the 2018/19 February Cabinet Budget report, and reported in the Resources Report to Cabinet in September. This forecast arises from full implementation of last year's policy change after taking account of expected residual consultation outcomes from the Ministry of Housing, Communities and Local Government. This forecast is subject to the professional judgement by the S.151 Officer with regard to making a 'prudent provision' in the accounts in consideration of future capital expenditure plans.

51. Looking forward, the County Council's ability to manage the in-year financial risk is challenging. It is vital that the Council delivers services within cash limits on a recurrent basis and that transformation savings are also achieved in full recurrently and not by one off actions.

### **New One-Off Grant – Adult Social Care Winter Pressures**

52. The County Council has been awarded a £2.4 million one-off Adult Social Care Winter Pressures grant as part of a national £240 million funding allocation from the Department of Health and Social Care.

53. This grant is intended to fund new spending on Adult Social Care services in order to reduce delayed discharges from hospitals through preventative measures, speeding up the process of assessing and agreeing what social care is needed for patients in hospitals or from directly investing in social care packages. In the Chancellor of the Exchequer's statement to the House of Commons on 29 October 2018, he noted that this grant will be recurring for a further year (2019/20). At the time of drafting though it is unclear of any conditions attached and if they are the same as apply to 2018/19.

54. The County Council will work closely with health colleagues to optimise best use of this new funding.

55. Cabinet is asked to recommend Council approves use of this grant and updates the revenue budget cash limits.

### **Legal Implications**

56. Legal advice will be provided to support any changes in service delivery in accordance with the requirements of the Council's policies and procedures.

### **Financial Implications**

57. Members are required under Section 25 of the Local Government Act 2003 to have regard to the Chief Financial Officer's report when making decisions about the budget calculations for each financial year. Specifically this is undertaken through the approval of the annual budget in February each year.

58. Section 25 of the Act also covers budget monitoring and this process monitors the robustness of budgets, adequacy of reserves and the management of financial risk throughout the year. This Cabinet report highlights forecast variances arising from current financial performance and the possible impact of existing pressures on future expenditure so that appropriate action may be taken.

59. In discharging governance and monitoring roles, Members are asked to consider the issues arising and the potential impact on the budget as well as the financial risks arising.

60. The Council's procedures for budget monitoring is reinforced through close financial support to managers and services on an ongoing basis to ensure processes and controls are in place to enable tight financial control.

### **HR Implications**

61. A number of existing and new proposed savings may impact on staff roles and responsibilities and where appropriate senior officers take advice from the Council's Human Resources team.

62. This will include undertaking consultations with staff, trade unions and any other affected body as appropriate.

### **Environmental and Climate Change Implications**

63. There are no significant environment and climate change implications arising from this report.

### **Equality Duty Considerations**

64. The Council will continue to have due regard to proactively addressing the three elements of the Public Sector Equality Duty in all relevant areas – in particular the planning and delivery of our services. The Council will continue to assess the equality impact of all relevant transformational change programmes and will ensure that Full Council has sufficient equalities assessment information to enable it to have due regard to the three elements of the Equality Duty when considering any changes to the budget for 2018/19. The Council will continue to ensure best practice is followed with regard to these requirements.

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

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

66. This report is mainly about confirming the forecast outturn financial position for the end of the financial year reflecting existing Cabinet decisions and policies, and requesting approval for spending a Winter Pressures grant impacting directly on those moving from hospital into social care support.

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

### **Supporting Information**

The following Appendices are available electronically:

- **Appendix 1** - Budget Monitoring Outturn Forecast for Month 6 - 30 September 2018
- **Appendix 2** - Budget variances greater than £0.250 million
- **Appendix 3** - Capitalisation
- **Appendix 4** - Use of Grants
- **Appendix 5** - Provisional Transfers to/from Earmarked Reserves
- **Appendix 6** - Savings RAG Summary 2018/19
- **Appendix 7** - List of Savings – Agreed Budget Plan 2018/19

- **Appendix 8** - Monitoring of 2018/19 additional savings reported to Cabinet in September 2018

## **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 Chief Financial Officer) the following are the background papers relating to the subject matter of this report:

- Previous Cabinet Resources Reports