

Agenda

Cabinet

Thursday, 16 October 2014, 10.00 am
County Hall, Worcester

This document can be made available in other formats (large print, audio tape, computer disk and Braille) on request from Democratic Services on telephone number 01905 728713 or by emailing democraticservices@worcestershire.gov.uk

If you can not understand the contents of this document and do not have access to anyone who can translate it for you, please contact 01905 765765 for help.

বাংলা। আপনি যদি এই দলিলের বিষয়বস্তু বুঝতে না পারেন এবং আপনার জন্য অনুবাদ করার মত পরিচিত কেউ না থাকলে, অনুগ্রহ করে সাহায্যের জন্য 01905 765765 নম্বরে যোগাযোগ করুন। (Bengali)

廣東話。如果您對本文檔內容有任何不解之處並且沒有人能夠對此問題做出解釋，請撥打 01905 765765 尋求幫助。 (Cantonese)

普通话。如果您对本文件内容有任何不解之处并且没有人能够对此问题做出解释，请拨打 01905 765765 寻求帮助。 (Mandarin)

Polski jeżeli nie rozumieją Państwo treści tego dokumentu i nie znają nikogo, kto mógłby go dla Państwa przetłumaczyć, proszę zadzwonić pod numer 01905 765765 w celu uzyskania pomocy. (Polish)

Português. Se não conseguir compreender o conteúdo deste documento e não conhecer ninguém que lho possa traduzir, contacte o 01905 765765 para obter assistência. (Portuguese)

Español. Si no comprende el contenido de este documento ni conoce a nadie que pueda traducirselo, puede solicitar ayuda llamando al teléfono 01905 765765. (Spanish)

Türkçe. Bu dokümanın içeriğini anlayamazsanız veya dokümanı sizin için tercüme edebilecek birisine ulaşamıyorsanız, lütfen yardım için 01905 765765 numaralı telefonu arayınız. (Turkish)

اردو۔ اگر آپ اس دستاویز کی مشمولات کو سمجھنے سے قاصر ہیں اور کسی ایسے شخص تک آپ کی رسائی نہیں ہے جو آپ کے لئے اس کا ترجمہ کر سکے تو، براہ کرم مدد کے لئے 01905 765765 پر رابطہ کریں۔ (Urdu)

کوردی سۆزانی، ننگیر ناتوانی تێبگهی له ناوهرۆکی نهم بێلگهیه و دهستت به هیچ کس ناگات که و هههنگهه یهتوه بوته، تکلیه تملظون بکه بو ژمارهه 01905 765765 و داوا ی رهنۆینی بکه. (Kurdish)

ਪੰਜਾਬੀ। ਜੇ ਤੁਸੀਂ ਇਸ ਦਸਤਾਵੇਜ਼ ਦਾ ਮਸ਼ਹੂਨ ਸਮਝ ਨਹੀਂ ਸਕਦੇ ਅਤੇ ਕਿਸੇ ਅਜਿਹੇ ਵਿਅਕਤੀ ਤੱਕ ਪਹੁੰਚ ਨਹੀਂ ਹੈ, ਜੋ ਇਸਦਾ ਤਰਜਮਾ ਲਈ ਅਨੁਭਵ ਕਰ ਸਕੇ, ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਮਦਦ ਲਈ 01905 765765 'ਤੇ ਫ਼ੋਨ ਕਰੋ। (Punjabi)

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 3rd 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, 16 October 2014, 10.00 am, County Hall, Worcester

Membership: Mr A I Hardman (Chairman), Mr A N Blagg, Mrs S L Blagg, Mr J P Campion, Mrs E A Eyre, Mr S E Geraghty, Mr M J Hart, Mrs L C Hodgson and Mr J H Smith

Agenda

Item No	Subject	Page No
1	Apologies and Declarations of Interest	
2	Public Participation 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, 15 October 2014). Further details are available on the Council's website. Enquiries can also be made through the telephone number/e-mail address listed below.	
3	Confirmation of the Minutes of the meeting held on 25 September 2014 The Minutes of the meeting held on 25 September 2014 have been previously circulated.	
4	Delivering the Corporate Plan - FutureFit Update	1 - 12
5	Fair Funding Consultation Outcomes 2015-16 National and Local Changes to the Funding Arrangements for Schools - Revisions to the new Local Funding Formula for Worcestershire Mainstream Schools	13 - 28
6	Transfer of Kingsford Forest Park to the National Trust	29 - 34
7	Resources Report	35 - 48

Agenda produced and published by Simon Mallinson, Head of Legal and Democratic Services, County Hall, Spetchley Road, Worcester WR5 2NP

To obtain further information or a copy of this agenda contact Nichola Garner, Committee & Appellate Officer on Worcester (01905) 766626 or Kidderminster (01562) 822511 (Ext 6626) or minicom: Worcester (01905) 766399 email: ngarner2@worcestershire.gov.uk

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

Date of Issue: Tuesday, 7 October 2014

Item No	Subject	Page No
---------	---------	---------

NOTES

- **Webcasting**

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

Cabinet
16 October 2014

4. DELIVERING THE CORPORATE PLAN – FUTUREFIT UPDATE

Relevant Cabinet Members

Mr S E Geraghty and Mr J P Campion

Relevant Officer

Chief Executive

Recommendation

1. **The Deputy Leader and the Cabinet Member with Responsibility for Transformation and Commissioning recommend that:**
 - (a) **Cabinet notes that 2015/16 is a year of major transformational change and strategic economic investment;**
 - (b) **Cabinet supports in principle the developing proposals emerging from Corporate Strategy Planning 2014 (as set out in this report and Supporting Papers) noting their contribution to meeting Government funding reductions and delivering against the Council's Corporate Plan priorities both in 2015/16 and beyond;**
 - (c) **Cabinet asks that officers work with Cabinet Members to develop further proposals to close the emerging £5m financial gap to balance the 2015/16 budget;**
 - (d) **the proposed programme of communications and engagement with unions, residents, staff, businesses and other stakeholders in the Autumn is endorsed, whilst the proposals are at an early stage, to enable a further report and informed decisions to be taken during the budget-setting process for 2015/16 onwards;**
 - (e) **the involvement and contribution of the Overview and Scrutiny Performance Board is supported which will feed into the budget-setting process; and**
 - (f) **Cabinet notes progress since 2011/12 of the FutureFit Programme, including savings targets met, better outcomes delivered and implementation of the new Operating Model.**

Transformation Background and Progress

2. The BOLD programme was launched in October 2009 with the prime objective of being proactive about change enabling the Council to address the financial challenge whilst transforming itself in line with residents' priorities.

3. 2015/16 sees a year when a number of transformational areas will come to fruition with significant financial and non-financial benefit to the tax payer. The list below, whilst not exhaustive, covers some of the key transformational programmes.

Driving economic prosperity

- Strategic Economic Plan – the securing of £47m from central Government will allow the implementation of significant infrastructure and employment land projects to drive up economic growth and create jobs (further details in paragraph 13)
- WorldClass Worcestershire – starting this Autumn a targeted inward investment and national profile plan will be implemented to improve Worcestershire's national reputation and attract external investment.

Protecting the most vulnerable

- Children's Safeguarding Redesign – a review of the Looked After Children strategy focused on keeping vulnerable young people safe with a key component being the recruitment and retention of talented staff
- Shift to Targeted Early Help – helping those who need it most to nip problems in the bud
- Personal Choice – rolling out mechanisms such as an e-marketplace and online assessment tool so that service users needing Adult Social Care can control their own budgets making their own choices as to how their needs are met.

Becoming an excellent commissioning authority

- Design Unit – transfer of the function to the international architecture firm Jacobs which will save the tax payer money and open up potential new career opportunities for staff transferred over
- Support Services – volume services such as HR and finance transactions being commissioned from more cost effective providers
- Learning and Achievement – implementation of an external provision model delivering a dynamic and cost effective way of working with schools enabling them to make their own decisions as to what will work for them locally
- Joint Property Vehicle – working with public sector partners to make the best use of the collective property estate
- Integration of health and adult social care – broadening and deepening integration with the NHS to join up services to those most in need
- Sale of IBS Schools – following consultation with schools and a thorough divestment process a financial return in excess of £1m is expected for the tax payer while protecting

What Residents Have Said

- the future provision of IT services to schools
- Act Local – building on successes such as the Parish Lengthsman scheme to find pragmatic ways of working with communities, voluntary sector, districts and parishes to find local and cost effective solutions

4. As in previous years, this year's Corporate Strategy Planning was underpinned by what local people have said is important to them, as outlined in the Corporate Plan, recognising that with less money to do the things that are important for local people, the Council has to do things differently. The recommendations to Cabinet reflect:

- Checking progress against the FutureFit Corporate Plan
- Addressing the 2015/16 emerging funding gap for the Council
- Commencing the refresh of the Medium Term Financial Plan for 2015/16 -2018/19, including savings and investment proposals
- Reviewing and re-focusing programmes and projects which would comprise the next phase of delivery of FutureFit
- Understanding how the new Operating Model has progressed since it was approved by Council in May 2014
- Agreeing clear and coherent communication and engagement with all stakeholders including residents, members, staff, unions, partners and businesses.

5. Approximately 49,000 responses have been received as part of the Council's approach to communications and engagement since 2010. This continues to rise as there is an active roll out of viewpoint surveys, focus groups and public road shows. Residents have consistently and clearly indicated their top three priorities are:

- Maintenance of the Highway
- Protecting vulnerable young people
- Protecting vulnerable older people.

The FutureFit Corporate Plan and resultant transformation programmes reflect these priorities.

6. Residents' satisfaction with the local area remains high at 84% and satisfaction with the County Council decreased to 53% from the highest point in 2012 of 59%. To find out what is driving this satisfaction focus groups were held in Summer 2014. These concluded the main factor behind satisfaction was how the Council responds to issues and explains its actions. Residents felt extremely positive about certain services; the Hive and Registrar services for example, and less so about areas such as Highway repairs. In response to this feedback the Council will continue to invest in highways looking for ways to improve satisfaction based on focus group feedback where clearer signage for example was highlighted. These activities will run alongside communications to residents about services through further public roadshows, local media briefings and use of social media for example.

What Local Businesses Have Said

7. The percentage of residents who feel Job Prospects need improving has dropped from 36% (November 2013) to 25% (June 2014). The number of jobseekers is now at the same level as the 2007 pre-recession average. Open for Business has been, and will continue to be, a corporate priority for the Council.

8. Business confidence is improving in the county, with 49% predicting turnover increases and 45% thinking profitability will improve over the next 12 months.

9. The three economic priorities Worcestershire businesses want the Council to focus on are:

- Supporting the growth of existing businesses
- Infrastructure improvements (particularly Roads and Broadband)
- Working with partners to look at possible financial incentives.

10. Taking this feedback on board the Council has made significant progress setting up the first business growth hub in the West Midlands (Worcestershire. Business. Central). The growth hub has helped over 2,800 local businesses to grow and create jobs to date. The Council has also secured £47m towards infrastructure initiatives by working with the Local Enterprise Partnership, businesses and other partners to deliver the Strategic Economic Plan.

What Staff Have Said

11. 1553 staff replied to the Staff Survey. The majority of staff believe the Council has a clear vision for the future (61%) and that their managers make a positive effort to keep them informed (73%). There has, though, been a decline in the number of staff who feel valued for their contribution.

12. In reaction to the staff survey, leadership teams are working through results and putting actions in place along with a cross organisational HR programme called "Invest in the Future" which will be launched in the Autumn looking at succession planning and apprenticeships for example.

Corporate Plan Priorities: Open for Business

13. Open for Business (OfB) remains the key area of focus and recognises that driving up economic prosperity across Worcestershire benefits all elements of our quality of life. The Council's approach has been based around three strategic areas:

Investing in the Fundamentals

Bringing an additional focus on inward investment, roll out of Game Changer programme and infrastructure, for example road, rail, broadband, skills and high level apprenticeships.

Service Design and Transformation

Embedding an "Open for Business" culture across all service areas

in the Council, accelerate start-up opportunities and business "growth" packages and continue to seek views of businesses.

Reputation and National Profiling

Developing a national and international profile through the Local Enterprise Partnership to build Worcestershire's reputation with business as a place to invest, and to build influence with key national decision-makers, including Government.

14. Key to achieving Worcestershire's ambition for greater economic prosperity is the implementation of the work programme successfully secured through the Strategic Economic Plan. The plan includes funding for the following:

- Worcester Technology Park
- Malvern Hills Science Park – further phases
- Hoobrook Link Road, Kidderminster
- Southern Link Road – ongoing improvement phases
- Broadband – further improvements to achieve 95% superfast coverage by 2017
- Centre of Excellence for Vocational Engineering Training
- Flood alleviation – highway works to reduce impacts of flooding.

In addition provisional funds have been allocated to:

- Worcestershire Parkway Station
- Kidderminster Railway Station.

15. The Cabinet Member with Responsibility for Economy, Skills and Infrastructure intends to begin to scope out the next stage of the 2025 economic vision, thus ensuring Worcestershire keeps its momentum and drive for excellence in this area. It is also recommended there is joint Cabinet and officer work looking for innovative financial mechanisms to fund investment in this area moving forward.

16. Additionally, Cabinet is asked to note progress in planning National Profiling and particularly its impact on inward investment. Over the course of the Autumn a number of high profile events and targeted activities are planned with the Local Enterprise Partnership under the banner of WorldClass Worcestershire. The aim is to generate interest and inward investment from the three key sectors articulated in the County's Strategic Economic Plan. This work involves both the Chamber of Commerce and local businesses.

17. As the Council develops its commercial capabilities through the Commercial and Change Directorate, the Service Design and Transformation area of the strategic approach will be worked up further and rolled out.

18. The Council has made progress in the key area of helping businesses and residents work in an energy efficient way, reducing

The Environment

their outgoings and helping the local environment. This has been achieved by:

- Attracting investment in the green economy and infrastructure
- Promoting the cost savings of reducing waste and energy consumption
- Reducing energy consumption by promoting the use of renewable energy in the county
- Raising awareness of the challenges and opportunities climate change brings.

The County Council along with Worcestershire District Councils and Herefordshire Council plan to revisit the Joint Municipal Waste Management Strategy and look at any tried and tested initiatives not yet rolled out in Worcestershire to explore this Corporate Plan area even further.

Children and Families

19. Supporting children and families will continue to shift to a targeted approach focusing on those individuals and families who need the help most, allowing others, especially schools in their education setting, to make their own decisions on what is most suitable locally. Continued work will include:

- Improvements to safeguarding to enable children, young people and families to achieve their potential in a safe environment so that they lead successful lives
- Increasingly giving schools more freedom to raise standards in education particularly by encouraging schools to work together far more and by supporting the creation of academies and free schools
- Ensuring that young people have the skills and abilities that businesses need by improving educational attainment and work readiness.

Health and Wellbeing

20. The duty of local authorities to improve and protect the public's health, alongside responsibilities for adult social care, is now well embedded in Worcestershire. Areas that remain a focus include:

- Empowering individuals to take responsibility for their own and their families' health
- Working with partners to help create a health promoting environment
- Making it easier for people to look after themselves, find support in the community and preserve their independence for as long as possible
- Working towards greater integration of health and adult social care
- Giving those eligible for adult social care more control over their funding and more freedom to choose the care that they want
- Ensuring that there is range of sustainable and quality services available.

21. Cabinet supported a new Operating Model in April 2014 which was formally approved by Full Council in May 2014. Cabinet is asked to note progress in the following key areas:

Business Intelligence

Specialism is now split into two distinct yet complementary functions of Research and Performance Management. Research now works closely with the service areas informing forward looking business planning and Performance Management focuses on Quality Assurance.

Quality Assurance (Member Involvement)

We are looking to strengthen the role of the scrutiny panels and further involve Cabinet Members at a Directorate level earlier in the process. A further report is due at a future meeting of Council.

Digital Strategy

Progress has been made in a number of significant areas including a new telephony and contact centre solution and improved applications for self-service with the highways "Report –It" functionality proving particularly successful.

Matrix Working (Internal and External)

The Act Local approach is now working with District and Parish Councils to join up across services at a local level and the Joint Property Vehicle model is coming together across partners. Internally work is underway in areas such as Commissioning of Transport and Digital Inclusion involving officers working across portfolios to ensure a more joined-up approach to service delivery.

Senior Management Structural changes

Recruitment is currently underway for a Director of Commercial and Change along with key posts in the Business, Environment and Community Directorate and the Directorate of Adult Services and Health.

Role of Strategic Commissioners

Roles have been defined with clear accountabilities and skill set requirements in the three outward facing directorates of Children's Services, Adult Social Care and Health along with Business, Environment and Community.

Commissioning Support

Standard roles and definitions have been established including the recruitment of a Commercial Manager. Staff consultation and implementation of new roles will be completed by October 2015 with training in place to close any skills gaps. Alongside processes have also been reviewed with standard guidance in place.

Financial Summary: Delivery of Savings – Progress to Date

22. The Council continues to respond to the challenge of significant central Government funding reductions which has been proactively managed since 2011/12 through robust medium term financial planning alongside the delivery of the BOLD programme in support of FutureFit Corporate Plan.

23. Over this period, the Council's required cost reductions have risen from £20m per year to a latest estimate of around £25m per year as central Government has increased funding reductions directed towards Local Government as part of their plan to tackle the national deficit.

24. This has taken account of the Council's need to protect budgets from the impact of inflation, and the costs of demographic increases in vulnerable service users.

25. The Council continues to meet this increased financial challenge whilst at the same time achieving many service improvements.

26. Since 2011/12, the Council has delivered savings of £76.4m as follows:

- £30.8m (2011/12)
- £19.6m (2012/13)
- £17.0m (2013/14)
- £8.5m so far this year (2014/15) as part of the full year requirement of £30.5m
- £0.5m delivered early for future years.

27. The 2014/15 savings target of £30.5m is forecast to be achieved. There currently exists a risk to the delivery of schemes totalling £1.4m in 2014/15. This is being reviewed and challenged robustly on a monthly basis.

28. The savings requirement in 2015/16 and over the medium term from 2015/16 is broadly similar to that set out in the draft budget approved in February 2013. Additional financial pressures may arise once central Government publish the results of their consultations over the summer on areas such as the Care Act and the Education Services Grant. The impact on the Council's savings requirement will be refined ahead of the presentation of a draft budget to Cabinet that will follow the Chancellor's Autumn Statement.

29. There remains a risk that more savings may be required as a result of further announcements from central Government.

30. Whilst the Council has remained focused on the financial challenge, it has not lost sight of better outcomes for local people. Recent successes include:

- Since 2011 over £55m has been invested to improve Roads and Pavements

Delivering Better Outcomes

Review of Medium Term Financial Plan

- Over £100m is being invested in Worcestershire's economy supporting business to grow and create more jobs
- 86% of the County's Early Years setting and schools are rated good or outstanding by Ofsted
- Last year at our Recycling Centres we recycled almost 59,000 tonnes of waste saving over £4m in landfill tax
- 19,000 potholes have been repaired this year with the Council receiving the highest grant for pothole repair in the UK due to proven track record of success
- Last year 1,300 adults with learning disabilities received support to lead more independent lives
- Since 2012, 300 families were helped return to work, reduce anti-social behaviour and improve school attendance
- Last winter gritting teams covered 50,000 miles of road across Worcestershire which is the equivalent of more than twice around the world
- Local businesses have received energy efficiency support saving them over £1m and almost 5,000 tonnes of CO emissions
- Libraries across the County attracted nearly 3.5 million visits last year with more than 3 million books, CDs and DVDs issued.

31. Work continues to update the emerging Medium Term Financial Plan covering the financial years 2015/16 to 2018/19. The Council has to take account of the impact of inflation, changing legislation, new Government policies and expectations, pay awards and the increases in the costs of demographics combined with an ageing population as well as the impact of changes to funding received from central Government.

32. These costs are forecast to rise, and combined with an expectation of reduced funding, means the Council has to find solutions to close this gap and do things differently in the future through the FutureFit Programme.

33. Financial planning for the future remains extremely challenging. Central Government has currently given only outline information for next year (2015/16) which will be confirmed in the provisional Local Government Finance Settlement in December that follows the Chancellor's Autumn Statement.

34. This means there is a significant risk that the level of funding from central Government may further reduce in excess of our current forecast, with the additional complication whereby different central Government departments announce further reductions at different times throughout the year, outside of the official funding settlement announcements and without potentially considering the combined impact on the County Council.

35. Notwithstanding this, the Council has a duty to develop robust financial plans and after taking into account the uncertainty of future funding levels, and the need to appropriately plan budgets inclusive of inflation, demographic and demand pressures. The

Corporate Strategy Planning – Programme Proposals

Potential Risks to Delivery

Council is currently in the progress of updating and refining its Medium Term Financial Plan. Based on information that is currently available and our views on emerging trends and consultations, it is likely that the Council will need to achieve at least £27m savings for 2015/16 and then at least £25m each year thereafter.

36. Whilst there are encouraging signs of economic recovery with regard to national finances, the Council will still need to continue to plan for significant reductions in its funding.

37. Compared with the need to achieve at least £27m savings next financial year 2015/16, emerging plans have been identified to deliver just over £22m.

38. There remains a financial planning gap at this stage of £5m. Work will continue to identify ways in which further savings can be delivered. Clarity on the financial planning gap will be provided within the draft budget report to Cabinet after the Chancellor's Autumn Statement. Further detail on emerging saving plans will be brought to future Cabinet and Scrutiny meetings as appropriate.

39. The Council will continue to take on board feedback and ideas from staff, partners, residents and service users through extended communication and consultation meetings over the coming months.

40. As the savings aspect of the transformation programme enters its fifth year a number of proposals explored build on existing projects looking to take the savings further or accelerate them in line with the move to become an excellent commissioning authority. The proposals are built around a number of key design principles including commissioning, partnership work, personalisation of budgets, local solutions and centralisation of support services in line with the new Operating Model.

41. The Corporate Strategy Planning (CSP) supporting papers for the proposals are split by Corporate Plan priority area along with a cross-council set of projects. A full list by focus area indicating whether the project builds on existing work (Further) accelerates forecast savings (Faster) or a recent addition (New) can be found in the Supporting Papers to this report on the Council's website.

42. Delivering this scale of transformation and delivering within financial constraints in a tight timescale whilst continuing to protect the vulnerable and deliver better outcomes for our residents and businesses will continue to be challenging. High level risks have been identified at a corporate level as well as individual project risks and mitigations. These risks are carefully managed, mitigated and continuously reviewed as the programme progresses:

- Ensuring appropriate capacity and capability of expert resource is available to support the fundamental changes required i.e. HR, Commercial, Legal, Finance and Programme Management. This change capacity will need

Next Steps: Communications and Engagement

Equality Impact Assessment

- to be balanced against our continuing statutory and operational delivery commitments
- Ensuring appropriate market capacity to respond to the Council's commissioning activity, ensuring existing and new providers are flexible and dynamic in responding proactively to service users
- Meeting the increasing demand on Childrens' Safeguarding within the financial budget available
- Developing a workforce of a smaller size with different skills than has previously been required
- Meeting the requirements of the Care Act 2014 which becomes the single statute for adult care and support as, whilst full guidance is still awaited, an initial assessment indicates the Act will place a significantly high and new financial pressure on the County Council.

43. Mitigations underway include proactively working with the market to shape future provision, launching a new workforce strategy (Investing in the Future), setting up a task:finish cross council group of professionals to focus on Safeguarding and financial modelling preparing varying scenarios that the Care Act or other external factors may influence.

44. A programme of communications and engagement to run from October through to December was endorsed at CSP. This will include elected members, staff, unions, residents, businesses and other stakeholders and run at the earliest opportunity whilst the proposals are at an early stage.

45. All available channels will be used including further public road shows, media briefing sessions, social media and dedicated communications and sessions with stakeholders.

46. Members and staff will continue to be engaged and updated through internal channels including face to face road shows with the Leader of the Council and Chief Executive.

47. Engagement over the coming months will inform the budget setting process in January/February 2015. The Council also plans to deliver clear communications about how it continues to deliver against the four Corporate Plan priorities.

48. The Equality Act 2010 requires the Council to exercise a level of due regard to the three aims of the equality duty in designing policies and planning/delivering services which is proportionate to their potential for contributing to (or detracting from) these aims. The Duty's aims are:

- To eliminate unlawful discrimination
- To advance equality of opportunity
- To foster good community relations.

49. An analysis of the level of due regard required in respect of each transformational change programme in the Council has been completed with initial screening undertaken and this will steer the

Supporting Information

ongoing development of robust Equality Impact Assessments and consideration of due regard which will be taken into account as we move forward.

- Details of all proposals can be found in the Supporting Papers to this report on the Council's website, at County Hall Reception and in the Members' area.

Contact Points

County Council Contact Points

Worcester (01905) 763763, Kidderminster (01562) 822511 or Minicom: Worcester (01905) 766399

Specific Contact Points for this report

Clare Marchant, Chief Executive
(01905) 766100

Email: cmarchant@worcestershire.gov.uk

Sean Pearce, Chief Finance Officer
(01905) 766268

Email: spearce@worcestershire.gov.uk

Katharine Clough, Interim Transformation Manager
(01905) 728631

Email: kclough@worcestershire.gov.uk

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:

FutureFit: The Corporate Plan

Cabinet**16 October 2014****5. FAIR FUNDING CONSULTATION OUTCOMES 2015/16
NATIONAL AND LOCAL CHANGES TO THE FUNDING
ARRANGEMENTS FOR SCHOOLS – REVISIONS TO THE NEW
LOCAL FUNDING FORMULA FOR WORCESTERSHIRE
MAINSTREAM SCHOOLS****Relevant Cabinet
Member**

Mrs E A Eyre

Relevant Officer

Director of Children's Services

Recommendations

- 1. The Cabinet Member with Responsibility for Children and Families recommends that Cabinet:**
 - (a) has regard to the consultation undertaken in September 2014;**
 - (b) notes the detailed consultation feedback in Appendices 2, 3 and 4;**
 - (c) notes the involvement of the Worcestershire Schools Forum (WSF) members during the consultation;**
 - (d) notes the views of the WSF on the formula options for 2015/16 and other matters which are outlined in Appendix 6;**
 - (e) approves the local funding formula for Worcestershire mainstream schools from April 2015 to apply for 2015/16 as detailed in paragraphs 42 to 55 (which relates to option 6 of the 6 consultation options) with further detail at Appendix 3, having regard to the consultation feedback from schools detailed in Appendix 4 and views of the WSF in Appendix 6;**
 - (f) authorises the Director of Children's Services to make the relevant arrangements to submit the details of the new local funding formula for Worcestershire mainstream schools for 2015/16 to the national executive body, the Education Funding Agency (EFA), by 31 October 2014; and**
 - (g) authorises the Director of Children's Services to make any subsequent submission to the EFA by 20 January**

2015 as a consequence of the impact of the October 2014 census, other data changes and the final 2015/16 Dedicated School Grant (DSG).

Background Information and Key Issues Relating to the Funding Formula

2. The Council receives funding for schools through the Dedicated School Grant (DSG). This is a ring-fenced grant and has historically been allocated on a standstill 'flat cash' basis in 3 blocks:

- Schools
- Early Years
- High Needs.

A fixed element of the Schools Block is retained for centrally provided services; however, the majority is delegated to mainstream maintained schools and academies through the local schools funding formula.

3. The Government made significant changes to the funding formula factors for schools from April 2013. The changes have had an impact both for the schools and central Local Authority (LA) services. Cabinet at its meetings on 18 October 2012 and 7 November 2013 resolved to introduce a new local formula for mainstream schools for 2013/14 and 2014/15 respectively. The Department for Education (DfE) have again stated overall that all their reforms to date will facilitate introduction of a new National Fair Funding Formula (NFFF).

4. The Council is required to consult the Worcestershire Schools Forum (WSF) on any changes to the Local Schools Fair Funding Formula for 2015/16 in order to comply with the national requirements for school and LA funding. The County Council chooses to expand this requirement to consult with all schools, governing bodies and other interested parties in order to inform Cabinet's ultimate decision in recognition that changes could potentially impact upon the quality of education provision in schools.

5. The DfE continues to prescribe the level of protection against loss in funding for schools using the Minimum Funding Guarantee (MFG) which remains at -1.5% per pupil for 2015/16. This means that schools will not lose more than 1.5% per pupil of funding from year to year. LAs are also able to set a cap to reduce the budgets of gaining schools to fund the value of the MFG. The application and calculation of both the MFG and capping are statutory and prescribed by the DfE as part of The Schools and Early Years Finance (England) Regulations. Essentially, MFG is protection for schools so that their school budget income from one year to the next does not vary significantly due to formula changes. This will enable schools to plan accordingly in order to sustain plans to improve the quality of provision in their institution. Conversely, the capping is set so that gaining schools do not gain disproportionality to the detriment of all other schools. The MFG does not protect schools from reducing pupil numbers.

DfE Consultation on Changes for 2015-16

6. The constraint on the number of allowable factors will continue to severely impact upon the scope to reflect specific local circumstances in the local schools funding formula. The continued use of nationally prescribed data sets will also continue to impact. These national changes will continue to create budget turbulence for individual schools, phases and districts.

7. On 13 March 2014, the DfE published a consultation document 'Fairer Schools Funding 2015/16'. This detailed further proposals for funding of the Schools Block DSG for 2015-16.

8. A consultation on the implementation of a NFFF had been expected from the DfE since its implementation was due in 2015/16, with the 2013/14 and 2014/15 settlements being adjusted to smooth the effect of its introduction. Instead the consultation sets out some further interim arrangements for 2015/16.

9. Subsequently, on 17 July 2014, the DfE published a number of documents under 'Fairer Schools Funding: Arrangements for 2015 to 2016'. These confirmed their national policy direction for the Schools Block DSG and other funding matters for 2015/16.

10. The overall key issues are detailed in Appendix 1. The DfE are providing an additional £390m in 2015/16 in the Schools Block DSG to increase the per pupil budgets of the 'least fairly funded local areas'. DfE indications show that the County Council could receive an estimated £6.2m of this additional resource. This is after adjusting for the Carbon Reduction Commitment (CRC) national top slice of £7.51 per pupil. Final allocations will be based on actual pupil numbers in October 2014 so this may change.

11. Beyond 2015/16, the DfE contend that the policy changes that are being made next year support their national direction of travel towards a NFFF for LAs and schools. However, its detailed consideration and delivery will be for the next Parliament as part of the next Comprehensive Spending Review (CSR) cycle.

12. The DfE have also introduced the concept of Minimum Funding Levels (MFL) for specific formula factors. These are based on national average values for authorities who use the relevant factors. Some of the MFLs are greater than the levels used by Worcestershire whereas others are lower. For example, the national average primary Age Weighted Pupil Unit (AWPU) is lower than Worcestershire's 2014/15 value, but the national value for Key Stage 3 and Key Stage 4 AWPU's in secondary schools are higher than Worcestershire's. For the lump sum the MFL is significantly higher than Worcestershire's 2014/15 value, which is the lowest nationally. Worcestershire's Low Prior Attainment Factors are significantly higher than average. The DfE have not specified that LAs must use these values merely that they are the basis for allocation of the £390m.

13. Financial analysis for Worcestershire has shown that by using all the MFLs, there would not be sufficient funding within the

Worcestershire's low funding position and education provision

anticipated Schools Block for 2015/16, even with the additional £6.2m indicated. Using all the MFLs would require an additional c£29m which Worcestershire is not going to get in 2015/16 and forms the basis of the continued lobbying of central government for a fairer allocation of the total national allocation of funding.

14. Despite recent announcements of additional funding for low funded authorities, Worcestershire remains a low funded Authority. Out of 151 local authorities, assuming the £390m is allocated based on current numbers, Worcestershire would be ranked at 123 lowest funded for the Schools Block DSG per pupil amount. The principles around school funding have to be clear in the context of our low funding.

15. The Council's education strategy must first and foremost promote educational outcomes for all children and young people. In recent years there has been substantial progress in educational outcomes as evidenced by examination results and Ofsted inspection judgements, but there remain significant gaps in performance between some vulnerable groups of learners and their peers.

16. Reducing these gaps is also a key educational priority for the Council. This is a focus for the work of officers in schools and settings throughout the county. Increasingly there is financial support for targeted pupils through the Pupil Premium Grant. The specific and targeted use of the grant is now a key focus in Ofsted inspections.

17. Discussions regarding funding allocations to schools and settings need to consider all these factors and the potential impact of funding changes on the quality of educational provision. The relationship is complex. In recent years, for example, some of the largest gaps between vulnerable groups of learners and their peers have been in areas of low deprivation, involving small number of learners. During this time, the performance of many schools has improved, despite reductions already seen in funding.

18. In 2014/15, for secondary schools there was a significant impact on the value of the Age Weighted Pupil Unit (AWPU), caused by the DfE prescribed change in the application of the Low Prior Attainment (LPA) formula factor. In 2014/15 this changed to secondary pupils not achieving level 4 in English or Maths from English and Maths in 2013/14. As a consequence this more than doubled the number of qualifying pupils. Worcestershire allocated significantly more funding to this factor than for 2013/14 as it kept the per pupil value the same but needed to allocate the value to considerably more qualifying children. As the overall Schools Block funding is finite, and comparatively low, this could only be funded by a compensatory reduction elsewhere, and consequently it resulted in a reduction in secondary AWPU's.

19. The consequence of this was that more than national average funding for low prior attainment was allocated via the formula to Worcestershire Schools last year, with some schools gaining and

Detailed Consultation on the Options for Worcestershire Local Schools Funding Formula for Mainstream Schools for 2015-16

some losing. It is difficult to track in year the outcome of that additional support. With a low funded authority balancing every child and deprivation is tricky. With the support of pupil premium the LA are more able to address both needs.

20. Given the later than expected DfE notification of their agreed policy direction for 2015/16 it was not possible to engage schools on any potential options for change prior to the school summer break. So, following the process for 2014/15, discussions in a Formula Group including the Cabinet Member with Responsibility for Children and Families, representatives of the WSF and heads, governors and business managers met on 18 August 2014 to discuss options for consideration together with consideration of the treatment of any additional Schools Block DSG.

21. Following the Formula Group deliberations and further discussions at the WSF on 5 September 2014, the LA consulted on 6 options. In order to provide a more reflective funding picture for schools, the consultation options included the effect of any potential share of the additional £390m Schools Block DSG.

22. Financial modelling estimating the effect of the changes was also provided **but this has had to be based upon the existing 2013 data sets**. The final allocations for individual schools will be significantly affected by:

- The new DfE data sets and the revised Schools Block DSG allocation based on the October 2014 census and other data changes from 2013 e.g. rates prior year adjustments, attainment data, etc.
- The continued restrictions by the DfE for the capping of schools that gain in the formula
- That the DfE have decided that any additional DSG cannot be excluded from the MFG/Capping as it is not 'new' delegation so the impact for individual schools will vary significantly e.g. some schools will see increases whereas other will see no increases or reductions and merely a reduced MFG requirement.

23. A detailed consultation document was circulated on 10 September 2014 to all maintained schools, academies, other providers, all members of the County Council, staff associations and the Worcestershire Association of Governors which included details of the 6 different options for consideration and potential allocation methodology for any additional Schools Block DSG.

24. The following table gives a summary of the parameters used in the 6 consultation options. All options include the allocation of the additional £6.2m through the AWPU factor based on the ratio of 1 to 1.27 for primary and secondary schools which is the figure that the DfE suggest for the whole of the school block funding to take account of the additional costs associated with providing and administering the curriculum within secondary schools.

25. The options all include the impact of the additional £6.2m and as expected all options have a different set of gainers and losers. However, it should be noted that in all options between 78 and 79% of children gain from additional funding for their school. The percentage of schools gaining from each option is also shown.

Option	% School Gainers	Description of parameters within option
1	59	No change i.e. the 2014/15 formula
2	61	The 2014/15 formula plus the inclusion of a fixed value for sparsity
3	62	The 2014/15 formula apart from changes to: <ul style="list-style-type: none"> • Primary Lump Sum (increase to £70k) • Secondary Low Prior Attainment (LPA) reduction to the total amount in 2013/14 divided by the total number of qualifying pupils (equates to lower £ / pupil value)
4	59	New formula which consists of DfE Minimum Funding Levels (MFLs) for factors used in the 2014-15 formula with the addition of a tapered sparsity factor and the widened use of Income Deprivation Affecting Children Index (IDACI) Bands from 4 to 6 to 1 to 6 in Primary and Secondary phases. As this option would be unaffordable within the DSG envelope, the budget has been balanced through a reduction in the lump sum
5	79	New formula which consists of DfE MFLs for factors used in the 2014-15 formula with the addition of a tapered sparsity factor and the widened use of IDACI Bands from 4 to 6 to 1 to 6 in Primary and Secondary phases. As this option would be unaffordable within the DSG envelope, the budget has been balanced through a reduction in the AWPUs
6	80	New formula which consists of 95.88% of the DfE MFLs for factors used in the 2014-15 formula with the addition of a tapered sparsity factor and the widened use of IDACI Bands from 4 to 6 to 1 to 6 in Primary and Secondary phases. The 95.88% being the value which makes the option affordable within the DSG envelope. Should additional or a reduction in DSG be allocated this percentage will vary accordingly

26. Given the tight timescales to report to Cabinet and submit the

formula to the DfE by 31 October, consultation responses were requested by 1 October 2014. The Cabinet Member with Responsibility for Children and Families, the Director of Children's Services, the Head of Finance and Resources and key finance officers held two area briefing meetings on 22 and 25 September 2014 to discuss the issues.

27. The main issues for consideration by schools continue to be:

- Further national changes and local could create further significant budget change for individual schools
- The use of a new sparsity factor could mitigate the effect for some schools but could create further change for other schools. There are only 16 schools who qualify for the sparsity factor in Worcestershire
- For any formula factor adjustments there will be the potential that the effect of the changes will be significantly mitigated by the MFG and capping arrangements for the vast majority of schools
- The new national funding model may, depending on assumptions, continue to adversely affect some schools, phases and/or areas. As in 2014/15, there is no real standard pattern to the variations
- Consultees were requested to consider 6 formula options for 2015/16 together with the treatment of any potential additional Schools Block DSG. The consultation options show a wide range of variation to existing allocations. These have been shared, as required, with schools as part of the formal consultation process comparing current to revised allocations both prior to and after the application of the MFG to the losers and capping to the gainers. As part of this schools were requested to rank their preferences in 1st 2nd and 3rd order
- The need to allocate more pupil-led funding technically supports larger schools but the use of a variable lump sums and sparsity factor can mitigate some of the impact.

28. The following table shows the number of formal responses received from the consultation:

Type of school	Total Number of Providers (As at 1 st September 2014)	Number of Responses	Percentage of Responses %
Maintained First / Primary	158	66	42
Academy Nursery / First / Primary	18	6	33
Maintained Middle	14	7	50
Academy Middle	6	5	83
Maintained Secondary/High	6	5	83
Academy Secondary / High	23	20	87
Total	225	109	48

The response rate last year was 40%

Recommended Option and Revisions to the Worcestershire Local Schools Funding Formula for Mainstream Schools for 2015-16

29. Consultees were requested to respond to 6 questions that related to specific issues within the proposals for changes to the existing 2014/15 local formula for mainstream schools for 2015/16, a summary of which is given at Appendix 2. As in 2014/15, schools were requested to rank 1st, 2nd and 3rd preferences. There has been consideration of these preferences linked to the number of pupils in each school in formulating the outcome of the analysis. Appendix 3 gives details of the preferences linked to size of school for the 6 formula options.

30. Given the complexity and wide ranging changes and the impact, the consultation responses and Area Meetings raised a number of significant issues. These have been analysed and summarised in Appendix 4. This also includes comments on the allocation methodology for any potential additional Schools Block DSG. Key issues and recommendations arising from the consultation are detailed in Appendix 5.

31. Having considered the views of Worcestershire Schools Forum (WSF), the outcome of the consultation and Cabinet's strategic view, the option which is recommended to be approved is **Option 6**. This option is the one which had the highest overall score (with it being ranked either 1st, 2nd or 3rd) across the schools who completed the consultation, and was supported by WSF, at its meeting on 6 October 2014. Option 6 is the option in which the highest numbers of schools gain (80%) and, based on current numbers, 78% of pupils will attend a school which is gaining funding through the model. The option uses the MFLs relevant to the diverse range, size and location of schools. As a low funded authority it demonstrates that using 100% of the national average values is not affordable. Option 6 demonstrates that the proposed formula would fund all schools at the minimum funding level affordable for Worcestershire, which equates to 95.88% of the national average figures for each factor used. This option also expands the use of the deprivation factors so that lower levels of deprivation secure funding to support the needs of the relevant children as well as those schools deemed to be sparse, based on the Government definition, attract an element of funding to support their specific needs.

32. Option 4 had the second highest score, and was the one with the highest 1st choice score. However schools were aware that the top 3 preferences would be counted. Option 4 was considered by Cabinet before confirming the recommendation for Option 6, as the resulting score was fairly close. Option 4 leads to 59% of schools gaining rather than the 80% in Option 6, and, as such, Option 6 allows for the gain (which includes the additional £6.2m) to be spread across more schools.

33. It must also be noted that the Schools Block allocation is not the only funding which schools attract. Schools also attract Pupil Premium to raise the attainment of disadvantaged pupils and close the gap between them and their peers. Schools attract funding for

each child registered as eligible for free school meals at any point in the last 6 years. The 2014/15 rates are £1,300 for primary-aged pupils, £935 for secondary-aged pupils and schools will also receive £1,900 for each looked-after pupil who has been looked after for 1 day or more, or was adopted from care on or after 30 December 2005, or left care under a special guardianship order or a residence order. Worcestershire schools attract c£17m additional funding through this route. This is based on 2013 numbers which will be updated for 2014 and notification of the revised amount is expected from the DfE in December 2014.

34. The feedback from the responses in Appendix 2 on the consultation questions details the following outcomes:

- Overall support for Option 6 – from the preference analysis
- The treatment of any additional Schools Block DSG in 2015/16 be allocated via the AWPU using the ratio of 1:1.27 for primary and secondary schools
- Support for the minor changes to the existing split site formula for newly qualifying schools
- Schools Block Funding be retained in that block and that no transfer be made to the Early Years or High Needs Blocks
- Continuing with the existing arrangements in 2014/15 into 2015/16 as permitted by the DfE for the:
 - delegation and de-delegation of centrally retained DSG services for maintained schools except for those included in the Learning and Achievement (L&A) review
 - other centrally retained DSG services for all maintained schools and academies
- For those services covered by the L&A review, continue de-delegation for Free School Meal (FSM) eligibility, however more work needs to be done by WSF before a decision can be made regarding the provision for Support for Minority Ethnic Pupils and Underachieving Groups. This will be reviewed at WSF at its meeting on 14 January 2015, as notified to Cabinet following this, as it is a decision which is to be made by WSF rather than Cabinet.

Cabinet's Response

35. Cabinet supports the allocation of the additional £390m to low funded authorities and that additional Schools Block DSG is likely to be allocated in 2015/16 and wishes to place on record its appreciation to the DfE and to all those involved in Worcestershire and in the f40 Group in achieving this interim position.

36. Cabinet recognises that this is an interim position and the campaign by Worcestershire and the f40 Group for Fairer Funding for all low funded LAs within a new NFFF will go on as part of the next CSR programme from 2015.

37. Cabinet notes that the DfE expect LAs to pass on the any additional funding Schools Block DSG to schools even though LAs still have the flexibility to move funding between the 3 DSG blocks and options were included within the schools consultation to

Cabinet's Detailed Approvals Paragraphs 41 to 54

consider this matter.

38. Cabinet is aware that for any additional funding allocated into the Schools Block DSG, LAs will have to share this out to schools on a basis prescribed within the School and Early Years Finance (England) Regulations. Different formula methodologies are not permitted. In doing this Cabinet recognises the impact will be different to individual schools as a consequence of:

- The formula factor chosen
- The potential mitigation of the effect due to the nationally prescribed MFG and capping arrangements
- The LA not been able to exclude any additional funding from the prescribed protection arrangements resulting in schools increases, no change and reductions

39. Cabinet has considered all the issues, the feedback from consultation, including the impact at school and area level, as well as the national statutory requirement for significant formula simplification and change. It notes, given the required national changes, any simplified model will create movement between schools and pyramid areas and so for schools to come to a view on any version has no doubt been influenced by the effect at the individual school and area level and that whichever models were consulted upon would have been supported by some and not others depending on their personal schools' benefit or otherwise.

40. As in 2014/15, schools perception of the outcomes of this approach will be a matter of their own judgement on how the proposals affect them individually and so accordingly this will influence the support of the results or otherwise. As a consequence, as stated, schools were requested to rank their preferences on the 6 options in 1st 2nd and 3rd priority order as well as indicating on the treatment of any additional DSG and the other consultation issues.

41. Cabinet notes the issues raised from the detailed consultation feedback in formulating its recommendations and the recommendations on the proposed formula model are detailed in paragraphs 42 to 55.

42. Approve the following changes to the existing factors for inclusion in the local funding formula for Worcestershire mainstream schools from April 2015 based upon required DfE data sets included any prior years changes where applicable (as per consultation question 1).

43. Approve the use of any additional Schools Block DSG into the AWPU based on the ratio of 1 to 1.27 for primary and secondary schools (as per consultation question 2).

44. Approve this to be based upon option 6 circulated for consultation with the final units of resource for both years being subject to final confirmation when the impact of the October 2014 census, other data changes (both in-year and for prior years) and

the final DSG for 2015-16 is confirmed. The details of the currently estimated units of resource for 2015/16 are given in paragraph 45.

45. Approve the new model to contain, from April 2015, the following formula factors and estimated units of resource using the prescribed DfE data sets from the October 2013 census and including the effect of the assumed additional Schools Block DSG:

- *AWPU:*
Primary £2,839.13; KS3 £3,886.05; KS4 £4,415.31
- *Deprivation:*
FSM Annual: Primary £845.66; Secondary £1,008.66;
IDACI all bands 1 to 6:
Primary £200.39, £249.29, £332.70, £404.61, £457.35, £662.53
Secondary £277.09, £363.39, £450.64, £531.18, £588.70, £785.26
- *Low Cost/High Incidence Special Educational Needs (SEN) – Prior attainment:*
Primary £641.44; Secondary £901.27
- *English as an Additional Language (EAL) – maximum of 3 years:*
Primary £446.80; Secondary £1,083.44
- *Lump Sum for Every School:*
Primary £111,026.16; Secondary £119,998.61 (Middle Schools an average of these rates)
- *Sparsity based on a tapered approach:*
Primary £42,796.04; Secondary £63,909.77
- *Split Site* - an individual school cash sum allocated via the approved 2014-15 formula with schools having to meet the qualifying criteria
- *Rates – Actual Costs* individual to each school
- *Private Funding Initiative – Agreed Costs* for those schools in the PFI contract
- *Exceptional Premises Costs* – an individual school cash sum for those qualifying schools as approved by the EFA
- *MFG* – at -1.5% per pupil as prescribed
- *Cap* – at the % level required to scale back gains for some schools to fund the MFG requirement only as prescribed by the DfE. This is currently estimated at +5.746% with the scaling factor of 100%.

46. Approve the current estimated formula units of resource as detailed above be adjusted in January 2015, as required, to take account of:

- Any changes required to the cap for 2015/16 as a consequence of the impact of the MFG requirements of the School and Early Years Finance Regulations
- October 2014 census data impact and requirements
- Other DfE prescribed data changes including those from prior years
- The impact of the final Schools Block DSG for 2015/16

including any additional allocation.

47. Approve the amendment to the split site criteria for any newly qualifying schools as detailed (as per consultation question 3).

48. Approve that the Schools Block Funding be allocated for use in that block only and no transfer be made to the Early Years or High Needs Blocks (as per consultation question 4).

49. Approve the continued initial delegation and transfer of the following centrally retained services for 2015/16 as in 2014/15:

FACTOR	SERVICE
Basic Per Pupil	School Specific Contingencies (not Early Years) Support for Schools in Financial Difficulties 14-16 Practical Learning Options Insurance Staff Costs Supply Cover Licences and Subscriptions
Deprivation	FSM Eligibility
EAL	Support for Minority Ethnic Pupils
Low Cost High Incidence SEN Prior Attainment	Support for Underachieving Groups Behaviour Support Services

50. Approve the decision of the WSF maintained mainstream school members to continue in 2015/16 to the following delegation and de-delegation of the following centrally retained services for maintained mainstream schools only by phase as determined through the WSF, apart from those part of the L&A review, as follows (as per consultation question 5):

Phase/Service	Primary Delegation	Primary De-delegation
School Specific Contingency (SSC)	No	Yes
Support for Schools in Financial Difficulty	Yes	No
14-16 Practical Learning Options	N/A	N/A
Behaviour Support Services	N/A	N/A
Schools Insurance	Yes	No
Licenses and Subscriptions	No	Yes
Staff Costs Supply Cover – Civic Duties	No	Yes
Staff Costs Supply Cover –	No	Yes

Trade Union Duties		
Staff Costs Supply Cover – HR Related Duties	No	Yes
Phase/Service	Secondary Delegation	Secondary De-delegation
School Specific Contingency (SSC)	No	Yes
Support for Schools in Financial Difficulty	Yes	No
14-16 Practical Learning Options	Yes	No
Behaviour Support Services	Yes	No
Schools Insurance	Yes	No
Licenses and Subscriptions	No	Yes
Staff Costs Supply Cover – Civic Duties	No	Yes
Staff Costs Supply Cover – Trade Union Duties	No	Yes
Staff Costs Supply Cover – HR Related Duties	No	Yes

51. Approve for those services subject to de-delegation by the formula factors detailed above by reducing the formula amounts in 2015-16 for maintained mainstream schools only on the basis detailed above.

52. Approve for those services within the L&A review (as per consultation question 5):

Phase/Service	Primary Delegation	Primary De-delegation
Support for Minority Ethnic Pupils or Underachieving Groups – EMAG	WSF to make decision at its meeting on 14 January 2015	
Support for Minority Ethnic Pupils or Underachieving Groups – Travellers Children	WSF to make decision at its meeting on 14 January 2015	
Free School Meal Eligibility	No	Yes 3 rd Party Provider

Phase/Service	Secondary Delegation	Secondary De-delegation
Support for Minority Ethnic Pupils or Underachieving Groups – EMAG	WSF to make decision at its meeting on 14 January 2015	
Support for Minority Ethnic Pupils or Underachieving Groups – Travellers Children	WSF to make decision at its meeting on 14 January 2015	

Free School Meal Eligibility	No	Yes 3 rd Party Provider
------------------------------	----	------------------------------------

53. Approve the decision of the WSF to the continued central retention in 2015/16 of the centrally retained services as detailed, limited to the 2014/15 budget level or further DfE prescription (indicative budgets are shown) for the benefit of all maintained schools and academies (as per consultation question 6):

- Funding for significant pre-16 pupil growth to meet basic need and to enable all schools to meet the infant class size requirement i.e. pupil growth fund – £200k
- Funding to support falling rolls satisfying DfE and local criteria – £185k
- Copyright Licensing Agency (CLA) and Music Publishers Association (MPA) licences – subject to DfE prescription
- Contributions to Combined Services – the Early Intervention Family Support (EIFS) service budget – £1.5m
- Capital Expenditure Funded from Revenue (CERA) – £1.030m
- Termination of Employment/Redundancy Costs – £0.2m
- Co-ordinated admissions scheme – £846k
- Servicing of the Schools Forum – £55k
- Carbon Reduction Commitment – subject to DfE top slice from DSG.

54. As approved, this is based upon the option 6 as the best supported model from the formal consultation, and as supported by WSF, with the above estimated units of resource. The final units of resource and cap for 2015/16 are subject to final confirmation with the EFA and change when the impact of the October 2014 census and other data changes and the final Schools Block DSG for 2015/16 are confirmed as detailed.

55. As in previous years the formula model for 2015/16 will **not** include factors for:

- Pupil Mobility – not deemed to be a significant issue
- Looked After Children (LAC) – deemed to be funded through the significant LAC Pupil Premium
- Post-16 top up – not permitted as not a pre-2013 formula factor
- Higher Teacher Costs – only applies to London fringe LAs.

The Role of the WSF

56. As required, the WSF continues to fulfil its statutory role as the principal consultation forum for matters relating to school funding.

57. There is a statutory requirement to consult the WSF on these funding proposals. The WSF met on 6 October 2014 where the WSF discussed the consultation responses. A representative from the EFA attended this meeting and commented favourably on the extensive and thorough consultation which Worcestershire followed during this process. Details of these discussions and outcomes are attached at Appendix 6.

Supporting Information

The following supporting information is available on the Council's website:

- DfE Document 'Fairer Schools Funding: Arrangements for 2015 to 2016' – Summary of the Key Issues – Appendix 1
- Summary of the Consultation Responses September 2014 – Appendix 2
- Details of the preferences linked to size of school for the formula options and further details on options for some of the delegation and de-delegation of services for maintained schools – Appendix 3
- Summary of the main issues from the Consultation Responses and Area Briefing meetings September 2014 – Appendix 4
- Outcomes and recommendations for the 2015/16 mainstream schools local funding formula – Appendix 5
- Worcestershire Schools Forum Issues October 2014 – Appendix 6

Contact Points

County Council Contact Points

Worcester (01905) 763763, Kidderminster (01562) 822511 or
Minicom: Worcester (01905) 766399

Specific Contact Points for this Report

Stephanie Simcox, Head of Finance and Resources
(01905) 766342

Email: ssimcox@worcestershire.gov.uk

Andy McHale, Service Manager Funding and Contract
Management, (01905) 766285

Email: amchale@worcestershire.gov.uk

Background Papers

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

Fair Funding Consultation Documents – September 2014

Agenda and background papers for the meetings of the Cabinet held on 18 October 2012 and 7 November 2013

This page is intentionally left blank

Cabinet
16 October 2014**6. TRANSFER OF KINGSFORD FOREST PARK TO THE NATIONAL TRUST****Relevant Cabinet Members**

Mrs L Hodgson and Mr J Campion

Relevant Officer

Director of Business, Environment and Community

Local Member

Mr G Yarranton

Recommendation

- 1. The Cabinet Members with Responsibility for Localism and Communities and Transformation and Change, recommend that the Cabinet:**
 - (a) approves the transfer of the freehold of Kingsford Forest Park to the National Trust; and**
 - (b) that the authority to negotiate and agree the detailed terms and conditions of the transfer is delegated to the Director of Business, Environment and Community in consultation with the Cabinet Member with Responsibility for Localism and Communities.**

Background Information

2. Kingsford Forest Park comprises 85.4 hectares of mixed deciduous and conifer woodland, and lowland heathland at Wolverley near Kidderminster. It is owned and managed by Worcestershire County Council as part of its countryside estate and is principally used for informal recreation such as dog walking, horse riding, mountain biking, nature study, picnicking and other similar outdoor pursuits. It has a number of waymarked trails, two car parks and a toilet block. Current County Council activity consists of managing and promoting the site and overseeing the work of contractors and volunteers. The park falls within the Kinver Edge Site of Special Scientific Interest (SSSI) all of which is owned and managed by the National Trust, apart from Kingsford Forest Park. The park has a number of designations due to its nature conservation, landscape and historical interest which includes some "Rock House" structures and naturally occurring rock outcrops that have to be carefully monitored for safety reasons.

3. A widely publicised Soft Marketing exercise held as part of the Countryside Service's Commissioning Review

identified the potential to transfer Kingsford Forest Park to the National Trust whilst securing public access and protecting its special characteristics in perpetuity. The National Trust was the only organisation providing a sustainable transfer option that met all of the essential criteria in this regard. It should be noted that the Soft Marketing exercise did not attract any interest from the commercial sector, probably due to the site's protected status, high levels of public access, challenging topography, relatively remote location and low potential for income generation.

4. Taking account of its constraints and liabilities, the restricted value of the site has been estimated at £75,000. However, it is considered that the annual saving of the entire current net expenditure of £29,383 which would be made in due course and the transfer of all liabilities associated with the site justify gifting the site to the National Trust.

5. Current expenditure is approximately apportioned as follows:

- £17k staff
- £7k toilet cleansing contract
- £3.5k maintenance and repairs
- £1k mowing contract
- £1k utilities.

6. It should be noted that the Trust's business model would not support taking on the leasehold of the site and it is the gifting of the site that enables the Trust to take on the future running costs and liabilities.

7. The proposal is therefore to transfer the freehold ownership of Kingsford Forest Park to the National Trust in order to contribute towards the Countryside Service Future Fit savings target of £265,000 by the end of 2015 and in furtherance of recommendations arising from the Countryside Service Commissioning Review. It is also in accordance with the Council's Operating Model.

8. Section 123 of the Local Government Act 1972 empowers the Council to dispose of any land held by it in any manner it wishes, provided, in a case where the disposal is for a consideration less than the best that can be reasonably obtained, that it considers the disposal will help it to secure the promotion or improvement of the economic, social or environmental well-being of its area and the undervalue does not in any event exceed £2,000,000. The Local Government Act 1972: General Disposal Consent (England) 2003, which sets out the Secretary of State's conditions for disposal at an undervalue, as stated above, also advises that the Council should seek professional valuation advice in connection with the land and its disposal,

which it has done. It is considered that the proposed gifting of the site to the National Trust is in accordance with the Act.

Progress report

9. A number of informal discussions have taken place with the National Trust and agreement in principle to the transfer has been established on the basis of the freehold of the site being gifted to the National Trust.

10. The Corporate Landlord Board supported the proposed transfer on 19 September 2014 subject to endorsement by Cabinet.

11. The Cabinet Members with Responsibility for Localism and Communities and Transformation and Change, as well as the local member, are supportive of the proposal

12. Because the National Trust has similar site management objectives to the County Council, an Equality Impact Assessment screening suggests that there would not be any impact on service users including those with protected characteristics.

Terms and Conditions

13. The County Council would seek to make the transfer subject to the following terms and conditions:-

- National Trust undertaking to seek to confer inalienable status on the land
- National Trust confirming that they will maintain free public access and will not introduce car parking charges (should they wish to do so) for a minimum of three years after the transfer
- National Trust taking on legal responsibility for the County Council's England Woodland Grant Scheme and Higher Level Stewardship commitments on the site
- National Trust retaining the four waymarked trails on the site and the North Worcestershire Path, which passes through it
- Transfer of County Council staff to the National Trust would not need to take place and is not required by TUPE regulations
- Both parties would bear their own conveyancing costs
- The land being transferred would not include the timber yard, which is being disposed of separately to the current leaseholder at market value
- The County Council would seek to recover any other costs associated with the transfer provided to do so would not unduly risk the transfer not taking place.

Next Steps

14. Subject to approval by Cabinet, formal negotiations will be conducted with the National Trust to facilitate the transfer of the freehold of the site. It is recommended that confirmation of the final terms and conditions is delegated to

the Cabinet Member with Responsibility for Localism and Communities in consultation with the Director of Business, Environment and Community. The aim would be to conclude the transfer by the end of December 2014.

Supporting Information

- Plan showing location and boundary of Kingsford Forest Park

Contact Points

County Council Contact Points

Worcester (01905) 763763, Kidderminster (01562) 822511
or Minicom: Worcester (01905) 766399

Specific Contact Points for this report

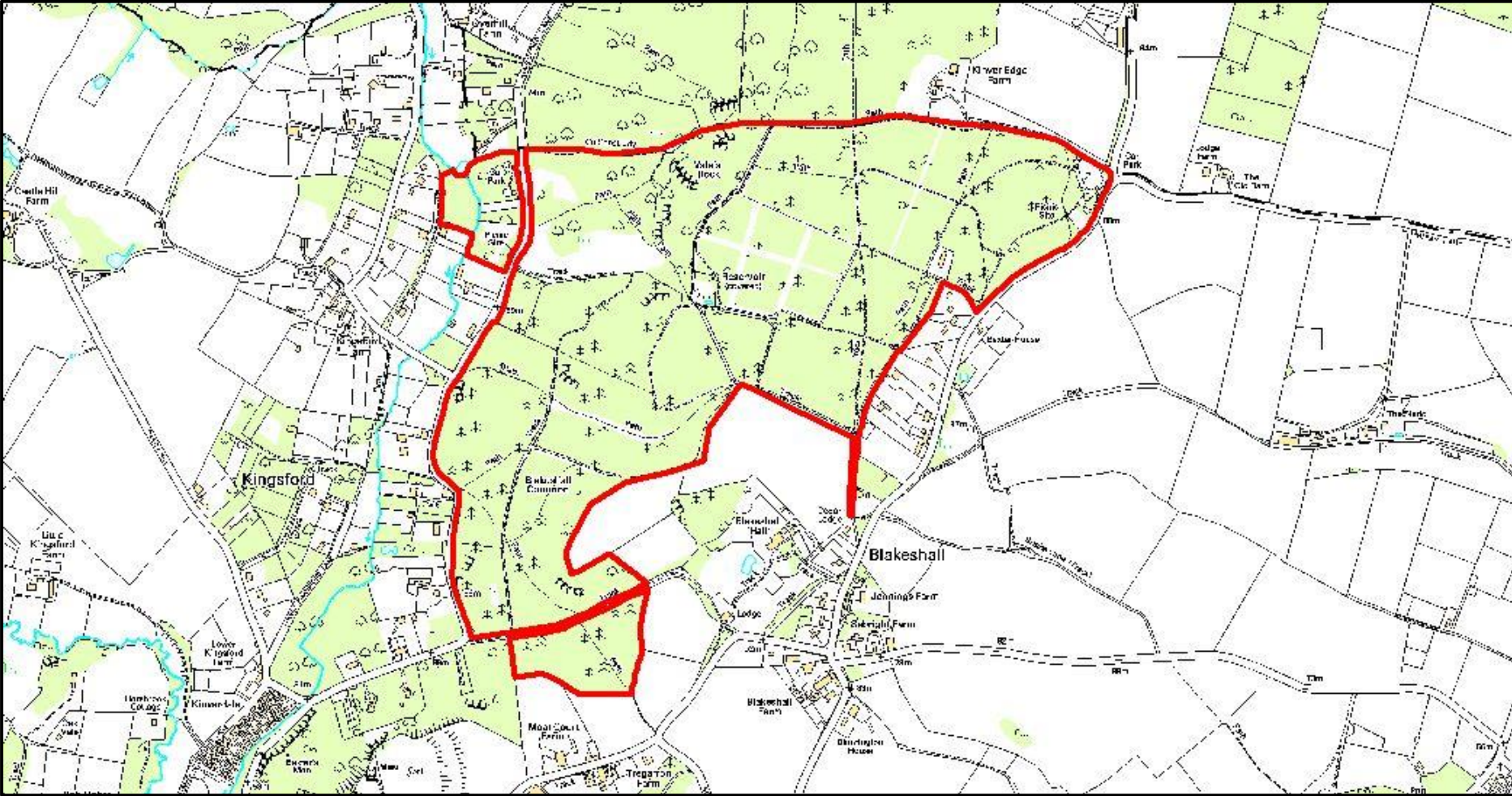
Andy Maginnis, Programme and Commissioning Manager
(01905 766160)

Email: amaginnis@worcestershire.gov.uk

Background Papers

In the opinion of the proper officer (in this case the Director of Business, Environment and Community) there are no background papers relating to the subject matter of this report.

Boundary map of Kingsford Forest Park



This page is intentionally left blank

Cabinet
16 October 2014**7. RESOURCES REPORT****Relevant Cabinet Member**

Mr A I Hardman

Relevant Officer

Chief Financial Officer

Recommendation

- 1. The Cabinet Member with Responsibility for Finance recommends to Cabinet that:**
 - (a) his conclusions concerning revenue budget monitoring up to 31 August 2014 be endorsed;**
 - (b) the current progress regarding the FutureFit programme be endorsed;**
 - (c) his conclusions concerning capital budget monitoring up to 31 August 2014 be endorsed;**
 - (d) Council is recommended to approve the updated Capital Programme and cash limits as set out in the attached Appendix;**
 - (e) the progress made to implement the Council's Digital Strategy is endorsed;**
 - (f) £1.5 million is transferred to a Looked After Children (LAC) transformation Reserve from the release of accruals in the balance sheet to support a range of time limited activities to address the financial pressures that are being experienced within the existing £25.4 million LAC budget over the medium term financial plan; and**
 - (g) it is noted that although central Government had previously indicated that the Local Welfare Provision Grant will cease at 31 March 2015 (which means that local agreements to flow these funds to District Councils will also cease at this point) it is reviewing its position; and**
 - (h) delegated authority is given accordingly to the Chief Financial Officer, in consultation with the Cabinet Member with Responsibility for Finance and the Chief Executive, to agree arrangements with District Councils as appropriate if the Government does not cease funding the Local Welfare Provision Grant as originally intended and also to agree in any event any appropriate transitional arrangements in relation to grant money unspent at 31 March 2015.**

Introduction

Revenue Budget Monitoring 2014/15 Outturn Forecast as at 31 August 2014

2. This report identifies a forecast year-end financial position for 2014/15 of an overspend of £0.5 million or 0.2% of the Council's £332 million revenue budget.
3. The most significant financial challenge for 2014/15 continues to be Children's Services placements.
4. An update provided on the current financial year's forecast BOLD savings programme confirms £30.5 million is expected to be achieved this year, with risks arising on £1.4 million of projects. These risks are being robustly managed by the FutureFit Programme Board.
5. Capital expenditure for the first five months of the year is reported generally in line with forecast expenditure profiles.
6. An update is provided with regard to the Digital Strategy and Local Welfare Provision Grant.
7. Set out below is the financial performance for the first five months of the year up to 31 August 2014. The County Council's £332 million revenue budget is forecast to overspend by £0.5 million (0.2% of budget) at the end of the financial year.
8. The most significant area of financial risk concerns the Children's Services placement budget which is currently forecast to overspend by £4.2 million (rising from £1.8 million at the end of July 2014).
9. The increase in the overspend forecast of £2.4 million primarily relates to three areas as described below:
 - £1.1 million of savings no longer achievable from an action plan to reduce costs of existing Looked After Children (LAC) that followed a detailed review and challenge process undertaken in August and September 2014
 - £1.1 million of net additional numbers of children being looked after by the County Council over the summer period in excess of the anticipated increase forecast within the budget. This is influenced as much by the numbers of children leaving the care system being lower than anticipated as well as new children entering the system, and
 - £0.2 million of additional costs in relation to the complexity of care packages being higher than anticipated.
10. It should be noted that the service has successfully delivered an action plan to date in 2014 that has reduced the potential overspend by £2.9 million. Continued work is required to ensure that the service is able to maintain expenditure within the forecast of a £4.2 million overspend by the end of the financial year given the financial pressures experienced over the summer. The financial position of this service area has been and will continue to be monitored on a weekly basis to ensure all actions are being delivered to reduce the financial pressure in this area.
11. One other related financial pressure exists within the children's social care staffing budget. The forecast for this area is

an overspend of £0.4 million (£0.2 million forecast at the end of July 2014) by the end of the financial year. The use of agency staff to fill vacancies continues to be the main contributing factor towards this financial pressure. All staffing projections have been revisited and plans are being developed with the aim of reducing the projected overspending by releasing agency staff and filling permanent establishment posts with newly qualified social workers.

12. As a result of the financial pressures described above all other areas of the Council have been reviewed to determine the extent to which these pressures can be supported corporately for the remainder of the financial year to enable the County Council to operate within its cash limits for 2014/15. To date, the work has identified further savings in the Resources Directorate that can mitigate all but £0.5 million of this risk. Mitigating savings have been found through reducing the forecast for borrowing costs in 2014/15. This follows careful consideration of current and future interest rates together with a continuation of strong cash balances allowing a deferral of the need to take external borrowing. Further work is underway to identify further opportunities to mitigate this financial pressure both within Children's Services as well as all other parts of the Council.

13. To support the longer term challenge and the impact that the financial pressures in Children's Services may have on the Medium Term Financial Plan, funding is recommended to inject pace into change within this area with immediate effect. The potential to release a range of accounting accruals held in the balance sheet has been identified to the value of £1.5 million following positive work undertaken in Quarter 1 to review all commitments held in the balance sheet.

14. The Cabinet Member for Finance recommends that that £1.5 million is transferred to a LAC transformation Reserve to support a range of activities to address the financial pressures that are being experienced within the Looked After Children's budget over the Medium Term Financial Plan.

15. This fixed term investment during 2014/15 will only be released from reserves based on a robust business case and the 2015/16 investment will only be released following demonstrable successful outcomes over the next six months from the 2014/15 investment and will again be subject to robust business cases.

16. This will provide additional support for the following:

- Redesign of the internal fostering service
- Transformation of the placements service
- Additional resource within Legal Services to support the demand for legal processing of care proceedings especially to concentrate on discharge cases which take children out of the LAC system
- IT solutions to improve productivity in the Social Work teams
- Deployment of a Child in Need team to the north east of

the county

- Short term additional support for the initial response function to respond to peaks in demand and prevent backlogs of assessment, increasing throughput and reducing caseload
- Support for newly qualified social workers
- Intensive family support.

17. There is no requirement to recommend a change to the cash limits approved by Full Council in February 2014 given that the financial flexibility identified to support the investment is currently held within the balance sheet.

FutureFit Programme Update

18. The BOLD savings programme target for 2014/15 is £30.5 million which is forecast to be achieved. This includes £2.6 million of projects carried forward from previous financial years.

19. There is a risk to the delivery of £1.4 million of savings. All projects and risks are robustly managed through the FutureFit Programme Board.

Capital Programme Budget Monitoring: 2014/15 Actual Expenditure as at 31 August 2014

20. The Council's Capital Budget for 2014/15 totals £164 million, which includes £18.3 million of schemes that have been carried forward as they were uncompleted at the end of last financial year.

21. The actual capital expenditure as at Month 5 (31 August 2014) is £46.1 million or 28% of the budget which is as expected with no significant issues arising. The rate of capital expenditure incurred in year is generally in line with expectations.

Capital Programme Cash Flow profile update

22. A financial exercise has been completed to update the expenditure profile of the Capital Programme over the current and future financial years. The funding profile has also been updated to support this new profile.

23. The revised Capital Programme is set out in Appendix 1 and Cabinet are asked to recommended to Council that the programme is approved and the cash limits updated.

Digital Strategy

24. The digital strategy was agreed by Cabinet in September 2013 and the following paragraphs identify the progress made so far and future priority work streams.

25. The digital strategy set an ambitious agenda to make more strategic use of technology in support of the Council's corporate priorities and developing Operating Model. There were 8 focus areas which were endorsed:

- How we communicate with citizens and businesses
- How we manage information
- How we provide applications to service users
- How we support service users
- How we improve the supporting infrastructure
- How we improve connectivity

- How we are improving the IT service
- How we are improving business engagement

26. The following paragraphs provide a detailed commentary on achievements to date:

How we communicate with citizens and businesses

- 5 customer access projects delivered which have significantly increased online self-service (up to 90% of service delivery) of customer processes, reduced face to face contact and led to cost savings through reduced demand on staff time.

How we manage information

- Information Asset Register tool in progress
- Trial of new digital collaboration tool for non-secure data and information to reduce barriers to collaboration between employees, partners and service users
- Business services being mapped to applications and technology to support the commissioning and innovation process.

How we provide applications to service users

Procurement of 6 systems to support:

- Website, eMarketplace, Special Education Needs Portal - delivery of online services that are accessible on all devices
- Committee Management System - more accessible democratic process internally and externally, streamlined internal committee management processes
- Planning - improved planning processes and enforcement, provide more accurate and better information to both staff and the wider public, reduced support costs
- Business Intelligence/Executive Information System - self-service by Managers for budgeting & forecasting, deliver management information more effectively, deliver predictive analysis capability.

Delivery of 9 Applications to business for

- Property - moved iProp into application support mode after several years of development
- Children's Services - Reduced the submission process of the Early Help Notification form from 1 hour 35 minutes to 1 minute saving hundreds of hours of admin time per month, reduced the process from weeks to instant by allowing GPs direct write access to Frameworki, roll-out of single view of child to Schools and Early Help Providers, statutory Local offer for Special Education Needs met
- Business, Environment and Community - Linked students and school leavers to local businesses to provide better employment opportunities

- 3 existing applications replaced with one with expected savings of £0.1 million through licence and process improvements and cross organisational
- Major upgrades and enhancements to 3 key systems so latest statutory requirements in use by the authority and greater resilience in systems.

How we support service users

- External customers were given a simplified website and improved ability to use different devices to access our content
- 65-75 % of calls (c.30,000 per month) are now handled by automated switchboard
- Social worker productivity is being improved by reviewing technology related issues.

How we improve the supporting infrastructure

- Will be delivered by commissioning ICT service management and the preferred partner, HP, are awaiting Cabinet approval.

How we approve our connectivity

- A new network has been procured that upgrades the network links to use the Public Service Network (PSN) thus reducing costs and increasing security
- A project to improve WIFI at County Hall is underway.

How we are improving the IT service and business engagement

- Commissioning of infrastructure and service management due to commence on 1 February 2015 which will reduce operating costs (revenue), capital spend, provide commercial flexibility as the Council changes, improve service quality and Service Level Agreements (SLAs), service quality and access to innovation
- Divestment of the IBS Schools service that delivers ICT support services to schools and academies transaction will be complete by 1 December 2014 which will deliver significant financial return to the Council, protect the future provision of services to schools, allow schools access to a wider range of intellectual property, enhance career paths for staff and provide job security
- Formation of Digital Centre of Innovation (within existing resources) - new teams for:

Customer Engagement – Business Analysts support organisation on innovation and commissioning

Digital Delivery – Enhancement of channel shift and digital Council objectives using a Digital team to integrate systems, processes and information

Data Intelligence – single team to deliver consistent data and information for strategic business intelligence and

performance management needs, and

Applications – Applications together under single operating model and SLA structure.

- ICT Project Teams formed to support the Council in solution design and project delivery
- Customer Focused SLAs put in place and largely on target
- New Manager in place to focus on commercials and delivery of supply chain category management objectives, e.g. focus on commercials for commissioned services and contracts with suppliers.

27. Looking forward, work to update the transformation and project map will be undertaken on business needs. Current priorities it is intended that work will focus on include:

How we communicate with citizens and businesses

- Enabling technology to support Customer Access including:
 - Emarketplace (Future Lives)
 - Website (content and look and feel)
 - Public Health & Pharmacies (Pharmoutcomes)
 - Addressbase
 - School services (currently via Edulink)
 - Electronic planning.

How we manage information

- Well connected (data sharing between health and social care)
- Prototype 'information dashboards'
- Third party access and data security (CoCo compliance)

How we provide applications to service users

- Deliver technology advice and guidance to support commissioning (e.g. HR/Finance/Payroll, Joint Property Vehicle, Learning & Achievement)
- Procurement of further components of the customer access programme (workflow, forms, authentication) and delivery of online services to internal and external customers
- Delivery of a self-service budgeting and forecasting tool for management
- Delivery of business intelligence solutions (performance management, predictive insight)
- School nurses and health visitors to use Frameworki to support Early Help Assessments.

How we support service users

- Delivery of a new website (customer focus content and

Welfare Reform Act – Replacement of the Social Fund

Supporting Information

design).

How we improve the supporting infrastructure

- Integrate a new service provider and implement the associated technology refresh plans
- How we improve connectivity – more reliable WIFI, Rollout of lync (1 telephone number).

How we are improving the IT service

- Cabinet sign off and handover ICT Infrastructure and service management to commissioned provider.

28. The Welfare Reform Act abolished community care grants and crisis loans for living expenses from 1 April 2013. Instead a non-ringfenced Local Welfare Provision Grant grant was paid to unitary and upper tier local authorities in England to enable them (under existing powers in the Local Government Act 2003) to provide new locally administered assistance to vulnerable groups.

29. The expectation was that local authorities would be able to manage the funds available and "take into account local knowledge and target the most vulnerable individuals" through local welfare assistance support.

30. In February 2013, Cabinet received a report on this issue and was advised that given that funding was only up until 2014/15, decisions on arrangements should only cover this period. Cabinet agreed the principles of localised support, and that the grant be allocated to Wyre Forest and Bromsgrove District Councils, Redditch Borough Council and Worcester City Council for two years to enable them to develop their own local assistance support. The total amount of grant for 2014/15 is £1.1 million.

31. Central Government wrote to the Council on 30 September 2014 outlining its intention to review its approach to the funding of the Local Welfare Provision Grant for 2015/16 following a recent application for Judicial Review. The letter states that central Government intends to carry out a consultation and consider further its equality duty in reaching a fresh decision as to how local welfare provision will be funded in 2015-2016 and to communicate its findings by the time of the Provisional Local Government Finance Settlement (December 2014).

32. Cabinet has been previously informed that the grant will cease from April 2015 and therefore the provision of this funding from the County Council to District Councils will cease. Unless central Government change their stated intention and do not cease the grant, this funding will cease but consideration will be given to transferring to the District Councils any grant monies not spent at the end of 2014/15 to support future arrangements. The Cabinet Member with Responsibility for Finance recommends that any transitional arrangements are agreed under delegation to the Chief Executive and Chief Financial Officer.

- Appendix – Capital Programme

Contact Points

County Council Contact Points

Worcester (01905) 763763, Kidderminster (01562) 822511 or
Minicom: Worcester (01905) 766399

Specific Contact Points for this Report

Sean Pearce, Chief Financial Officer, 01905 766268,
spearce@worcestershire.gov.uk

Sue Alexander, Head of Business Support (Adult & Community
Services), 01905 766942, salexander@worcestershire.gov.uk

Stephanie Simcox, Head of Finance & Resources (Children's
Services), 01905 766342, ssimcox@worcestershire.gov.uk

Peter Bishop, Head of Technology, Systems & Customer Access,
01905 766020, pbishop@worcestershire.gov.uk

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

This page is intentionally left blank

Capital Programme 2014/15 to 2017/18 Onwards

TOTAL EXPENDITURE	LATEST FORECAST 2014/15 £000	LATEST FORECAST 2015/16 £000	LATEST FORECAST 2015/16 £000	LATEST FORECAST 2017/18 and Beyond £000	TOTAL FORECAST £000
CHILDREN'S SERVICES DIRECTORATE	40,130	25,805	11,810	870	78,615
BUSINESS, ENVIRONMENT AND COMMUNITY DIRECTORATE	99,148	57,266	49,474		205,888
DIRECTORATE OF ADULT SOCIAL CARE AND HEALTH	1,268	4,426	1,099		6,793
RESOURCES DIRECTORATE	9,104	13,074	2,156	5,033	29,367
CHIEF EXECUTIVE	4,044	12,706	1,038		17,788
GRAND TOTAL	153,694	113,277	65,577	5,903	338,451

TOTAL FUNDING					
TEMPORARY AND LONG TERM BORROWING	61,759	63,974	53,334	5,033	184,100
CAPITAL RECEIPTS	9,998	4,407	862		15,267
GOVERNMENT GRANTS	65,937	37,215	11,256	870	115,278
CAPITAL RESERVE	3,855	71			3,926
THIRD PARTY CONTRIBUTIONS	7,368	7,145			14,513
REVENUE BUDGETS	4,777	465	125		5,367
GRAND TOTAL	153,694	113,277	65,577	5,903	338,451

CHILDREN'S SERVICES DIRECTORATE

	LATEST FORECAST 2014/15	LATEST FORECAST 2015/16	LATEST FORECAST 2015/16	LATEST FORECAST 2017/18 and Beyond	TOTAL FORECAST
	£000	£000	£000	£000	£000
Major Schemes:					
- Special School (Habberley Learning Campus)	13,631	827	105		14,563
- Short Breaks for Disabled Children (AHDC)	278	69			347
- Purchase of Property for Looked After Children Placements	338	29			367
- EBD Units	433				433
- Stourport Burlish Park - New School (all CM grant funded)	2,927	2,515	108		5,550
- Bewdley High Science Block (all CM grant funded)	1,751	1,037	56		2,844
- Bengeworth 1st	250	1,734	37		2,021
- Redditch S.77 Projects		1,538	862		2,400
- Worcester St Joseph's	2,000	457			2,457
- Nunnery Wood Primary 2 Form Entry	1,051	26			1,077
- Evesham St Andrews	200	1,600	200		2,000
- Blackwell 1st School	124	1,103	64		1,291
- Major Schemes - Residual	500				500
Composite Sums:					
- Capital Maintenance	5,116	4,733	1,637		11,486
- Early Education for 2 Year Olds	727	26			753
- Basic Need	6,563	8,228	8,741	870	24,402
- School Managed Schemes (Inc Universal Infant School meals and Devolved Formula Capital)	3,500	1,883			5,383
- Composite Sums - Residual	741				741
	40,130	25,805	11,810	870	78,615

BUSINESS, ENVIRONMENT AND COMMUNITY DIRECTORATE

	LATEST FORECAST 2014/15	LATEST FORECAST 2015/16	LATEST FORECAST 2015/16	LATEST FORECAST 2017/18 and Beyond	TOTAL FORECAST
	£000	£000	£000	£000	£000
Local Transport Plan:					
- Structural Carriageway/Bridgeworks	13,227				13,227
- Integrated Transport	527				527
Major Schemes:					
- Energy from Waste	32,900	41,800	46,700		121,400
- Green Deal Communities	3,521				3,521
- Pothole Projects	3,343				3,343
- Kidderminster Public Realm Works		1,500			1,500
- Highway Flood Mitigation Measures	656	1,000			1,656
- Highways and Footways Improvements	1,254				1,254
- Waste Infrastructure	1,837				1,837
- Abbey Bridge	1,420				1,420
- Worcester Transport Strategy	14,194				14,194
- Hoobrook Link Road - Pinch Points	3,578	7,086	514		11,178
- Southern Link Dualling	942				942
- Worcester Technology Park	5,622	4,750			10,372
- Bromsgrove Rail Station	5,500				5,500
- Malvern Hills Science Park Scheme	3,500				3,500
- Worcester Library and History Centre (Non - PFI capital costs)	826				826
- Stourport Libray/ Coroners Relocation to Civic Centre	1,344				1,344
- Mobile Library	132				132
- Street Lighting Energy Saving Project	333				333
- CH Car Park	500				500
- Completion of Residual Schemes	638				638
Composite Sums:					
- Vehicle Replacement Programme	844	480	960		2,284
- Transportation : Advance Design Fees	100				100
- Street Column Replacement Programme	350	350	700		1,400
- Highways Minor Works	200	200	400		800
- Choose How You Move	580				580
- Investment Initiatives to Support Business and /or Green Technology	1,120				1,120
- Libraries Minor Works	160	100	200		460
	99,148	57,266	49,474		205,888

DIRECTORATE OF ADULT SOCIAL CARE AND HEALTH

	LATEST FORECAST 2014/15	LATEST FORECAST 2015/16	LATEST FORECAST 2015/16	LATEST FORECAST 2017/18 and Beyond	TOTAL FORECAST
	£000	£000	£000	£000	£000
Major Schemes:					
- Capital Investment in Community Capacity/ Specialised Housing	500	3,642	899		5,041
- Social Care Reform	370				370
- Completion of Residual Schemes	48				48
Composite Sums:					
- A&CS Minor Works	350	784	200		1,334
	1,268	4,426	1,099		6,793

RESOURCES DIRECTORATE

	LATEST FORECAST 2014/15	LATEST FORECAST 2015/16	LATEST FORECAST 2015/16	LATEST FORECAST 2017/18 and Beyond	TOTAL FORECAST
	£000	£000	£000	£000	£000
Major Schemes:					
- Digital Strategy and Customer Access	2,057	7,733	61	33	9,884
- Repair and Maintenance of a Longer Term Benefit (And BUoP)	700	669	930		2,299
- Energy Efficiency - Spend to Save	694	562			1,256
- Land Assembly Opportunity Fund		634			634
- Parkside Redevelopment	5,414	1,019			6,433
- Bonds Agency Investment	20	30	25		75
- Meeting Disabled Access Requirements		190			190
- Completion of Residual Schemes	219				219
Composite Sums:					
- Capacity for New Starts (Borrowing)		1,073	1,140	5,000	7,213
- Capacity for New Starts (Cap Receipts))		1,164			1,164
	9,104	13,074	2,156	5,033	29,367

CHIEF EXECUTIVE

	LATEST FORECAST 2014/15	LATEST FORECAST 2015/16	LATEST FORECAST 2015/16	LATEST FORECAST 2017/18 and Beyond	TOTAL FORECAST
	£000	£000	£000	£000	£000
Major Schemes:					
- Local Broadband Plan Phase 1	3,982	7,906	1,038		12,926
- Local Broadband Plan Phase 2		4,800			4,800
- Residual	62				62
	4,044	12,706	1,038		17,788

This page is intentionally left blank