

15 January 2015

5. ANNUAL STATE OF THE COUNTY REPORT OF THE LEADER OF THE COUNCIL

1. 2014 has been a challenging year for the Council and it is clear to me that 2015 will be likewise a year of not only implementation but also change. We have had a successful year in delivering the Corporate Plan, in that we have reshaped our Operating Model and moved to a commissioning-based style of working. We still have further to go on taking up the concept of matrix working but I expect to see this further embedded over the course of the oncoming year and we need to look more deeply at our intelligence and customer-based needs.

2. I do firmly believe that we must continue to look well into the future and have a timescale for our Council planning that will now reach out as far as 2020 and so after the General Election it is my intention to launch a refresh of the Corporate Plan, since it is some two years old - this will reflect the high-level plans that we now have in place in our Next Generation Plan and the 10-year Strategic Economic Plan and will continue to give the Council a renewed focus on the priorities of the residents of Worcestershire.

The Past Year – A Recap

Open for Business

3. We continue to make great progress in our Open for Business agenda and as you will all realise 2014 was a great year for us, in that for the first time Worcestershire had a ten-year economic plan endorsed by all Worcestershire's Local Authority Leaders, the business community and its MPs and this led to us receiving an allocation of some £47million as part of the Local Growth Deal, including our priority projects for 2015, such as the Southern Relief Road, the Worcestershire Parkway, the Hoobrook Link Road, Malvern Hills Science Park, more broadband investment, as well as further allocations in future years. We made a deliberate decision to include in our performance management those measures we influence rather than just those that we control. I am pleased to see some of those we influence also starting to improve with unemployment claimant count now at a level last seen before the recession began, with less than 1.5% of 16-64 year olds claiming unemployment benefit in November 2014 and youth employment seeing a similar improvement.

4. It was also the year that we started to create a brand to draw inward investment into the county under the 'World Class Worcestershire' banner and it was a great moment for the county and for me to be able to go and support the LEP in their London event to promote the ongoing aim to draw more investment into the county.

Health and Well Being

5. The pressures on our Health and Well Being budget remain as strong as ever but our Future Lives and our Well Connected Programme continue to shape the way that we work with our partners in the health sectors and I continue to try and work closely with the voluntary and community sectors through Worcestershire Voices, since I think this is a clear way of boosting community resilience inside the county. We have strong communities in Worcestershire and our role in driving better public health continues to gain momentum as we look to encourage and enable individuals and families to maintain their own health and independence, with the launch of a new website and digital inclusion strategy a key step towards this. The negotiations for the Better Care Fund were a success and I am sure that all Members will realise that the Council was one of only six across the country that were signed-off within the timescale laid down by the Government.

6. Our Health and Well-Being Board continues to lead development and implementation of strategies and plans to improve health and well-being as well as integration of health and adult social care: we now have plans in place against each of the four priorities: alcohol, obesity, mental well-being and suicide prevention and older people and management of long term conditions.

Children and Families

7. In Children and Families we continue to see improvement in our educational achievements as we now have 88% of our schools rated by OFSTED as 'good' or better. This is a welcome change in ambition that our teachers and governors are showing for the outcomes of our children. The Stronger Families project still continues to change the lives of some nearly 1,000 families across the county. However the demand for children's social services has continued to increase, with the numbers of children in our looked-after system often well in excess of 670, costing us on average £116 a day each and clearly not a preferred option for so many children. This reflects increased referrals across agencies, not only by our own workers but also by police, schools and health professionals and it is clear that we are going to have to increase our funding to manage the financial pressures in this area.

Environment

8. In Environment, I was delighted to be able to visit our Energy from Waste plant site at Hartlebury, having successfully during the course of last year achieved an agreement with all our partners inside an affordability envelope that we could afford and this will lead to our waste being managed in a cost-efficient and effective way and, having spent a considerable amount of time in seeking a solution to this, I am delighted that we finally have a resolution.

9. It is worth just reminding ourselves about the severity of the floods last February and the strain that this puts on the county's infrastructure. While we have not yet been able to resolve all the flooding issues, it was clear to me that we have made considerable progress in improving our defences and while we still

have a lot to do, the numbers of our residents' properties that were flooded was considerably down and we supported nearly 100 businesses in recovering quickly and effectively. Our work with partners in this respect continues to show how real collaboration can deliver results for residents and my thanks particularly to the Environment Agency and the police.

Delivering within our means

10. We have a strong and established track record of delivering major change within the financial envelope that we have and I expect the outturn of the 2014 budget to be in line with the budget that was passed last February and it is only due to this tight financial management that we are able to continue to be as ambitious as we are. I think it is important that Members still remember, despite the severity of the reductions in local government spending, we remain one of the most financially robust councils in the country, pro-active and planning for the future, and even at the end of this we will have a significant budget of well over some £330million.

2015 – Delivery Year but Still Reforming

11. 2015 will be a critical year for us in delivering our ambition to transform how we operate and do things differently. It is a year of implementation and a key year in making our economic ambition a reality, as we press on with delivering our broadband project and trying to expand the reach of it out to as many of our residents as possible. For the Worcester Southern Link work, we will be pressing on with Stage 3 of this but it is time that we look to the Stage 4 and started to make clear to Government our ambition for a new bridge and a complete dualling across and down to Powick if we are going to finish this project within the timetable of 2020.

12. I am delighted in the north of the county that the Hoobrook Link Road and the public realm works in Kidderminster will get underway and at the same time we will see the next stage of the Malvern Science Park work completed and hopefully we will be in the position to move on to Stage 5.

13. The Worcester Tech Park, or Worcester Six as it is now known, will be started this year and I also expect to see us build on our work with apprenticeships. We will also be making further progress with the LEP in looking to establish a University Technical College submission. It will also be the year when we will welcome a new Chair to our LEP and I would just like to thank the outgoing LEP Chair for all his work and the way that the LEP, councils and the business community have managed to work so closely together. Because of our desire to continue to look forward as far as 2020, it is clear that the housing development across the county will mean that we must put more thought into our road infrastructure plans and start to develop work around the A38 as well as the Carrington Bridge but we must remember that we are not just reliant on road infrastructure and so I look forward to seeing clear and firm plans for the Worcestershire Parkway and seeing Bromsgrove Rail Station being completed.

Health and Social Care

14. Health and Social Care integration continues to be at the forefront of our objectives and I have been delighted with how we have been able to work so positively with our Clinical Commissioning Group partners but it is clear that if we are going to make progress in this area we need to build stronger relationships with the voluntary and community sector and need all providers to consider their cost bases. With reduced budgets, increasing demand and increased use of personal budgets and choice of provision, providers from any sector will need to consider how they will adapt and innovate. It is expected that the 65 plus population in Worcestershire will rise by a further 5% by 2021 to nearly 25% of the population and we need to ensure this demographic change is an opportunity in giving older generations a chance to contribute and feel valued.

15. 2015 will see the new website 'Your Life Your Choice' go live and the new models of assessment be lined up to coincide with the introduction of the Care Act. If we are going to manage the demand for Social Care, it is vital that we continue to work on our Future Lives Programme in that it is the cornerstone to our ability to impact demand, promote choice and make best use of technology. Likewise we as a council will look to innovate even further in 2015 with more streamlined direct payment processes and coordinated use of capacity through recent changes such as the Patient Flow Centre.

16. In Children and Families it is likely that 2015 and beyond will see some changes to education structures within our county where a number of our three-tier areas are in discussion about becoming two-tier. We are currently seeing this in Redditch, Evesham and Pershore and while this decision is one of the schools' making, I think it is important that the county uses its influence and its experience to assist schools in making this change a reality, bearing in mind this is a period where schools' capital is in very short supply.

17. In Children's Social Care it is clear that our trend reflects a national trend but I do believe that the stronger families work and the early interventions work will be the cornerstone of controlling the demand that we are seeing to take children into our care and I look forward to seeing better results from the multi-agency safeguarding hub and that our partners continue to take their responsibility as seriously as we do.

Environment

18. In 2015 we will see more investment in flood defence work, as we invest some of our New Homes Bonus monies into making the county more resilient and at the same time our contractors will, of course, be continuing to build our Energy from Waste plant but I look forward to seeing us bring forward during the course of the year a series of imaginative and novel ideas to improve the environment of the county which makes it such a key place to live.

Commissioning

19. Commissioning is now well underway in the county and we have seen a series of different models come out of this process in that our Children's Emotional and Behavioural Difficulty units and foster care are still being provided internally and our youth offender services and adoption are a shared service with other councils. Through the Joint Property Vehicle we will have created an arms-length organisation and in Adult Social Care we have commissioned through the voluntary and private sector as well as retaining some in-house provision, and so as Commissioning invents itself in the Council I expect us to continue to deliver better outcomes through using all the tools that are available to us.

Impacting Demand

20. This paper references how we impact or manage demand on a couple of occasions and it will become a key focus to us over the next few years. We know from our residents' viewpoint that almost 85% of residents are satisfied with Worcestershire as a place to live, with 70% feeling that they belong to their neighbourhood. Worcestershire has very strong communities and it is my belief that they can rise to the challenge that the demographic changes in the county will bring, to help with the social isolation and just general good neighbourliness because if we can continue to keep people healthy and active for longer and continue to build on the outstanding volunteer base that we have in the county, this will enable the Council to focus its resources on the most vulnerable and ensure that we have the resource to deal with the challenge. The digital age brings massive opportunity for Worcestershire but also immense challenge with social isolation a reality and threat – our lively neighbourhoods are key in meeting this challenge.

21. We continue to press the idea of joining up services across the Council. We must continue to change our thinking from directorates to families and communities. We already have good examples of this in Public Health but the scale of housing growth in the county over the next few years will pose us a challenge as to how we look at communities to build their resilience and look forward to helping them shape that through the neighbourhood planning process and the District Council planning process.

Seizing the Opportunity of Greater Joined-Up Government

22. I continue to press forward with the idea that the Council can become more self-sufficient and much more self-determining of its future and it is likely that by 2020 we will be very nearly self-sufficient and self-resilient, in that we will be able to deliver the services that we need for the county on a locally-funded level. Part of this will be my desire that we continue to build on the strengths that we have by forming a joined-up vehicle to drive forward economic prosperity with our District Councils and our LEP as a first step to looking at how local government evolves over the next five years, since clearly there will be devolution of powers down to us and it is vital that we are ready to receive them. I remain convinced that due to the unique nature of Worcestershire, it is sensible that we continue to press for a Worcestershire footprint coterminous with our LEP, ensuring we keep in mind

evolving political landscape nationally in regards to appropriate vehicles for devolution.

23. Part of this press for self-sufficiency will mean that we will have to try and create a revolving fund for stimulating economic growth and we will be looking for greater determination and decision making around skills development, transport, land development and infrastructure planning and the County Council must be ready to not only receive powers, but also exploit them with our partners in Worcestershire if we are going to make progress on this front. I remain resolutely optimistic about the county's future, since we are now coming out of a period of austerity and I would much rather that we had a plan for our own destiny rather than we had imposed disruption upon us in the form of Local Government Reorganisation. I believe it is self-evident that things are not going to get easier in the next five years and it is vital for us to consider what needs to be done if we are to manage our own destiny. So, I continue to press us to be an adaptive and innovative Council that is able to creatively redefine our role and actively influence the county, working in partnership with other authorities, whether it is in the health, economic or local government areas and we as the County Council must always be prepared to let go of power if it is in the interests of our residents whom we serve.

Adrian Hardman

**Leader of the Council
January 2015**