

COUNCIL
18 JANUARY 2018**REPORT OF CABINET - SUMMARY OF DECISIONS TAKEN**

2018-19 Draft Budget and Council Tax

1. The Cabinet has considered proposals for the 2018-19 Draft Budget and Council Tax. The report brought together the results of the County Council's strategic financial policy, the detailed budget preparation work taking account of the latest inflation and demographic pressures, the estimated overall funding position from central Government and the overall impact on the Medium Term Financial Plan (MTFP). In planning for next year's budget a revised approach has been adopted with Directors and Cabinet Members working on solutions to live within an agreed "resource allocation" based on an appropriate level of the budget for their services and Corporate Plan priorities.
2. The net expenditure budget for 2018-19 set out a provisional budget requirement of £325.6m and an indicative financial planning gap of £1m. Proposals have been put forward to strengthen the base budget. The impact of the provisional Local Government Finance Settlement will be worked into the draft budget with the intention of closing the funding gap in time for the February 2018 budget approval by Council, taking full account of consultation responses and any updates. Looking forward the Council will be more self-sufficient as reliance on central Government for funding will reduce and this continues to be reflected in the MTFP and through the budget proposals. A strong and successful economy producing income, through Council Tax and Business Rates, would enable the Council to sustain the services and investments that Worcestershire residents and businesses want to see.
3. The Cabinet has approved the draft budget for consultation which includes a proposed Transformation and Reforms Programme. It has also endorsed the plan to address a forecast remaining savings requirement of £1m as a result of updating the MTFP together with an investment of £10.5m for Children's Social Care. The Cabinet has delegated authority to the Director of Economy and Infrastructure, in consultation with the Leader of the Council and the Chief Financial Officer, to manage individual allocations of the Highways Infrastructure Investment Fund within the overall investment sum of £37.5m.
4. The full detail of the provisional Local Government Finance Settlement was released in late December 2017. Any significant updates will be presented at the February 2018 Cabinet meeting. The Cabinet has agreed that it is minded to recommend to Council in February 2018 an increase in Council Tax Precept by 4.94% in relation to: 1.94% to provide financial support for the delivery of outcomes in line with the Corporate Plan 'Shaping Worcestershire's Future' and the priorities identified by the public and business community; and 3% Adult Social Care Precept ring-fenced for Adult Social Care services in order to contribute to existing cost pressures due to Worcestershire's ageing population.

Future Provision of Overnight Unit-Based Short Breaks for Children with Disabilities

5. The Cabinet has approved proposals to launch a consultation with families, professionals and wider stakeholders on a scheme to redesign the delivery of overnight unit-based short breaks provision for children with disabilities in Worcestershire and in particular to consider the future use of the unit in Ludlow Road, Kidderminster for overnight short break provision. Improving outcomes for vulnerable children and young people, including those with a special education need and/or disability, is a key priority within the Children and Young People's Plan 2017-2021. As part of a wider review of services for children with disabilities, a review and re-commissioning of short break provision was underway. A Position Statement had been produced to describe and assess the quantity and use of unit-based overnight provision. The Statement had raised a number of questions relating to the commissioning of this provision including value for money and differences in regulation of the four units providing services. In addition, families had indicated that in relation to short break provision they wanted available, accessible, continuous and flexible services, information and guidance and worthwhile respite for both child and parent.

6. The development of the Position Statement has supported a review of all overnight unit-based provision and the development of a proposal to consult on a number of proposed changes to service re-design. The future re-design proposals include: a review of needs of all families currently accessing overnight unit-based provision; ceasing delivery of that provision at Ludlow Road, Kidderminster and providing suitable and alternative provision for existing users, increasing the capacity at Providence Road, Bromsgrove and reviewing the use of Osborne Court, Malvern. The Cabinet has approved consultation with families, professionals and wider stakeholders on this basis and delegated the final decision of the future provision of unit-based overnight provision to the Cabinet Member with Responsibility for Children and Families, to be implemented by the Director for Children, Families and Communities.

Fair Funding Consultation Outcomes for 2018-19 and 2019-20 - National and Local Changes to the Funding Arrangements for Schools

7. The Government has made significant changes to the funding formula factors for schools from April 2013 which have had an impact both for schools and central local authority services. The national policy for the Schools and High Needs Blocks Dedicated Schools Grant (DSG) and other funding matters have been confirmed for 2018-19 and 2019-20. The cost per pupil (the Guaranteed Unit of Funding) for Worcestershire for 2018-19 has been confirmed as £4,264.17. Beyond 2019-20 the DfE had indicated the National Funding Formula (NFF) policy from 2020-21 will be subject to the new Comprehensive Spending Review round. The Council's current Local Schools Funding Formula (LSFF) for 2017-18 is based upon stability from the 2016-17 local formula. The Council in conjunction with its key partners continues to lobby central Government for a fairer allocation of funding as part of the NFF consultation process.

8. In respect of the proposed formula development for 2018-19 and 2019-20 there was a balance of considerations between the desire for stability given the number and scale of changes since 2012-13 and the desire for a LSFF that could appropriately serve all schools in the county and the impact of the DfE NFF proposals. Taking all the considerations into account the Worcestershire Schools Forum (WSF) concluded that there were effectively only two options of principle to consider:

- Option 1 - retain the current Council LSFF for 2018-19 and 2019-20, whether a more protective Minimum Funding Guarantee was required to support schools and the redistribution of any additional Schools Block DSG as a consequence of NFF
- Option 2 - introduce the NFF as far as was practicable and affordable as the Council LSFF in 2018-19 and 2019-20.

A detailed consultation document was circulated to all interested parties requesting comments on the two options for the LSFF.

9. The Cabinet has considered all the issues including the feedback from the consultation, the involvement of the WSF members and schools during the consultation and the former's views on the LSFF issues for 2018-19 and 2019-20 and other matters. The Cabinet has approved the LSFF for Worcestershire mainstream schools from April 2018 to apply for 2018-19 and 2019-20 to be consultation Option 2 based as far as is practicable and affordable upon the NFF parameters. It has authorised the Director for Children, Families and Communities, in consultation with the Cabinet Member with Responsibility, to make the required submission to the Education and Skills Funding Agency by 19 January 2018 for the approved LSFF for 2018-19 taking account of any impact and change on the approved units of resource, Minimum Funding Guarantee and capping arrangements as a consequence of the October 2017 census and other 2017 data changes and the final 2018-19 DSG and similarly for 2019-20 when the timescales are known.

Children's Social Care Services Alternative Delivery Model - Options Appraisal and Model Recommendation

10. Members will be aware that the inadequate Ofsted inspection judgement in January 2017 placed Worcestershire in the category of persistent and systemic failure. The Commissioner's report in September 2017 concluded there was currently insufficient evidence to demonstrate fully that continuing to provide services in-house would deliver and sustain the necessary improvements. This led to a further Statutory Direction which directs that the Council would move those services under direction into an Alternative Delivery Model (ADM) and required the Council to carry out an options analysis with an outline recommended model by the end of December 2017.

11. The Council has therefore initiated a programme to analyse, design and implement an ADM for Children's Social Care. The programme consists of Phase 1 to complete an Options Analysis with a recommended form of ADM by 31 December 2017 and Phase 2 is the completion of a Full Business Case on the recommended model of the ADM by 31 March 2018. A 'go-live' target date to implement the preferred ADM was April 2019.

12. The Cabinet has considered the range of ADM configurations available to local authority children's services and the scope of the services for the ADM. It has noted the output of the options analysis into the range of ADMs developed in consultation with the Children's Services Commissioner. Following consideration of the five shortlisted ADMs, the Cabinet has approved the selection of the Wholly Owned Council Company and Strategic Partnership with another Local Authority as the outline recommended models to progress to full business case, each proposed model being subject to the agreement of the Commissioner and Secretary of State. The full business cases of these models

will be received by the Cabinet at its meeting on 29 March 2018 in order to make a decision, subject to ministerial approval, around the ADM form and implementation for Worcestershire.

Transport Hierarchy - Notice of Motion from Council 9 November 2017

13. In November 2017, the Council referred the following motion to Cabinet for determination:

"As the Department for Transport's own research shows, investing in walking and cycling brings huge economic, social and health benefits, with the cost-benefit ratios outperforming highway-only schemes. Increasing investment in walking and cycling not only provides economic benefits, but also huge health benefits by allowing people to be more active, thus reducing levels of obesity and other serious conditions.

The transport hierarchy, which is embedded in the Manual for Streets, the Council's Streetscape Design guide and LTP4 Network Management Plan, states that the design of new roads or improvements to existing roads should consider the needs of pedestrians first, cyclists second, public transport third and other vehicles last.

Taken together it is clear that we should be focusing our efforts as much as possible on investing in improvements to walking and cycling.

The All Party Parliamentary Cycling Group's Get Britain Cycling report proposed creating a cycling budget of at least £10 per person per year, increasing to £20. The national Conservative Party backed the £10 target in 2015 and in September Labour backed the £10 target for walking and cycling.

The Council proposes that the Cabinet should set a budget target of £10 per person per year to be spent on walking and cycling, rising to £20 per person per year by 2025".

14. The Cabinet has acknowledged the importance of walking and cycling to the transport infrastructure of Worcestershire and particularly the potential value that increased active travel has to improving the health and well-being of residents. However, it did not support the specific financial commitment or related escalator set out in the Notice of Motion which was therefore rejected. Expenditure by the Council on cycling and walking project activity identified a budget estimate of £9 per head of population in 2017/18 up from £5 in 2013/14. The Council will continue to commit spend considered appropriate and affordable given the ambitions set out in the Corporate Plan and in the context of the challenges facing the organisation. It will also maintain the commitment made to Active Corridors set out in the Local Transport Plan 4 and ensure Local Planning Authorities make appropriate provision for Active Corridors through the Local Development Plan process.

Balanced Scorecard Performance and Corporate Risk Update

15. The Cabinet has noted the refresh of the Corporate Balanced Scorecard to reflect the new Corporate Plan. It has received the latest update of the Corporate Balanced Scorecard for Quarter Two 2017/18. Currently there are 73 indicators reported in the Scorecard - 25 of these are rated 'green' representing good performance or progress and 9 are rated as 'red'. 5 of those indicators rated 'red' have had a performance update in Quarter Two 2017/18 and actions are being taken to improve their performance.

16. The Corporate Risk Register provides a mechanism for collating and reporting risks that could affect the delivery of corporate objectives. The Cabinet has considered an overview of risks identified at the end of Quarter Two 2017/18 including more detail about the highest risks. It has noted the latest refresh of the Corporate Risk Register including actions to mitigate the two risk areas that are rated 'red'.

Mr S E Geraghty
Chairman

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Background Papers

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) the following are the background papers relating to the subject matter of this report:

Agenda and background papers for the meetings of the Cabinet held on 14 December 2017.