

Agenda

Council

Thursday, 13 July 2017, 10.00 am
County Hall, Worcester

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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)

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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، ننگێر ناتوانی تێبگهی له ناوهرۆکی نهم بێلگهی و دهستت به هیچ کس ناگات که وهیگهریتنوه بۆت، تکلیه تهلپون بکه بۆ ژمارهی 01905 765765 و داوای رهنۆینی بکه. (Kurdish)

ਪੰਜਾਬੀ। ਜੇ ਤੁਸੀਂ ਇਸ ਦਸਤਾਵੇਜ਼ ਦਾ ਮਸ਼ਹੂਰ ਸਮਝ ਨਹੀਂ ਸਕਦੇ ਅਤੇ ਕਿਸੇ ਅਜਿਹੇ ਵਿਅਕਤੀ ਤੱਕ ਪਹੁੰਚ ਨਹੀਂ ਹੈ, ਜੋ ਇਸਦਾ ਤੁਹਾਡੇ ਲਈ ਅਨੁਵਾਦ 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.

Thursday, 13 July 2017, 10.00 am, County Hall, Worcester

Agenda and Summons

Councillors: Mr A A J Adams, Mr R C Adams, Ms P Agar, Mr A T Amos, Mr T Baker-Price, Mr R W Banks, Mr R M Bennett, Mr C J Bloore, Mr G R Brookes, Mrs J A Brunner, Mr B Clayton, Mr P Denham, Ms R L Dent, Mr N Desmond, Mrs E A Eyre, Mr A Fry, Mr S E Geraghty, Mr P Grove, Mr I D Hardiman, Mr A I Hardman, Mr P B Harrison, Mr M J Hart, Ms P A Hill, Mrs A T Hingley, Mrs L C Hodgson, Mr A J Hopkins, Dr C Hotham, Mr M E Jenkins, Mr A D Kent, Mr R C Lunn, Mr P M McDonald, Mr S M Mackay, Mr L C R Mallett, Ms K J May, Mr P Middlebrough, Mr A P Miller, Mr R J Morris, Mr J A D O'Donnell, Mrs F M Oborski, Ms T L Onslow, Dr K A Pollock, Mrs J A Potter, Prof J W Raine, Mrs M A Rayner, Mr A C Roberts, Mr C Rogers, Mr J H Smith, Mr A Stafford, Ms C M Stalker, Mr C B Taylor, Mr R P Tomlinson, Mrs E B Tucker, Mr P A Tuthill, Mr R M Udall, Ms R Vale, Ms S A Webb and Mr T A L Wells

1 Apologies and Declaration of Interests

To receive apologies and invite any Councillor to declare any interest in any of the items on this agenda.

2 Public Participation

To allow a member of the public to present a petition, or ask a question relating to the functions of the Council, or to make a comment on any matter on the agenda.

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, 12 July 2017). Further details are available on the Council's website. Enquiries can also be made through the telephone number/e-mail address listed below.

3 Minutes

To approve as a correct record and authorise the signing of the Minutes of the meeting held on 25 May 2017 (previously circulated electronically).

4 Chairman's Announcements

To receive any announcements to be made by the Chairman.

5 Constitutional Arrangements - Head of Paid Service/Chief Executive

To consider the nature of the post sought as Head of Paid Service/Chief Executive (**Yellow**

pages) (To follow).

6 Reports of Cabinet 1 - 8

To consider the reports of the Cabinet and to receive answers to any questions asked on those reports as follows:

- a) Report of Cabinet – Matters which require a decision by Council (**Yellow Pages**); and
- b) Report of Cabinet – Summary of decisions taken (**White Pages**).

7 Independent Remuneration Panel

To receive the report of the Independent Remuneration Panel on Members' allowances (**Yellow pages**) (To follow).

8 Notices of Motion

To receive the report of the Head of Legal and Democratic Services on any Notices of Motion received by him (Lilac pages). Councillors are asked to note that any Notices of Motion must be received by the Head of Legal and Democratic Services no later than noon on Thursday, 6 July 2017.

9 Question Time 9 - 10

To receive answers to any questions asked by Councillors (**Orange pages**).

(Members are reminded of the timescale adopted by Council for notice of questions. A Councillor may only ask a question if:

- *It is delivered in writing to the Head of Legal and Democratic Services by noon on Monday 10 July 2017 or*
- *If it relates to urgent business, the Head of Legal and Democratic Services is notified at least half an hour before the start of the meeting.)*

10 Reports of Committees 11 - 14

To consider the report of the Pensions Committee and to receive answers to any questions asked on that report.

NOTES

- **Webcasting**

Members of the Council are reminded that meetings of the Council 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.

- **Catering Arrangements**

Luncheon will be available at 1.00pm or thereabouts in the Lakeview Room. This will be provided for all Councillors, without payment, and for pre-notified guests, who must be paid for in advance. An indication of any guests wishing to take luncheon should be given to staff in the Business Support Unit at least three days before the Council meeting.

Agenda produced and published by Simon Mallinson, Head of Legal and Democratic Services, County Hall, Spetchley Road, Worcester WR5 2NP. The above reports and supporting information can be accessed via the Council's website at: www.worcestershire.gov.uk

To obtain further information or a paper copy of this agenda please contact Simon Lewis, Committee Officer by telephone on Worcester (01905) 846621 or slewis@worcestershire.gov.uk

Date of Issue: Tuesday, 4 July 2017

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COUNCIL
13 JULY 2017

**REPORT OF CABINET – MATTERS WHICH REQUIRE A
DECISION BY COUNCIL**

Connecting Worcestershire Phase 3 Broadband Programme

Recommendation

- 1. The Cabinet recommends the addition of £2.6m to the Capital Programme for the purposes of Phase 3 of the Broadband Programme, the funding of which comes from Broadband Delivery UK (BDUK) £1.5m and European Regional Development Fund c.£1.1m (ERDF).**

2. In November 2011, the Cabinet allocated up to £8.5m to fund the delivery of the fibre broadband infrastructure, with the addition to the Capital Programme approved by Council, £8m was committed to the broadband contract in August 2013 and £500k was retained to support the costs required to deliver the programme and demand stimulation activities to increase take-up of superfast broadband.

3. In 2013, the Council entered a 10 year contract with BT to extend fibre broadband across Worcestershire to ensure that at least 90% of the county's residents and businesses could access faster fibre-based broadband. The contract was also being funded by £4.4m of eligible capital expenditure from BT and £3.4m from Broadband Delivery UK (BDUK); BDUK added an additional £1.1m at a later date, following an application for further funding from the Council. This is Phase 1 of the programme.

4. Following the original contract for 90% coverage for residential and business premises, the Council subsequently secured an additional £4.8m from BDUK and through the Local Growth Fund to invest further into extending superfast speeds across Worcestershire – Phase 2. This further investment is aimed at extending a better service to 95% of the county's businesses and residents, when the contract was agreed we expected that 94% of the county able to access superfast speeds (in excess of 24Mbps) by an accelerated date of Autumn 2017, from an original projected date in Summer 2018.

5. The current contracts give the Council the opportunity to recoup some of the investment through "take-up clawback", if take-up of superfast broadband exceeds 20% of premises within the project areas.

6. Due to the progress of delivery, as well as higher than expected take-up rates (Phase 1 current take-up is currently in a region of 42%, against the projected 13% at this stage); BT offered the Council the opportunity to recoup funds early and invest in extending fibre coverage even further.

7. In November 2015, Council agreed the addition to the Capital Programme for the purposes of extending Phase 2 by reinvesting up to £3.25m from clawback funds to

further coverage of fibre broadband across Worcestershire. Cabinet in October 2015 delegated authority to the Director of Commercial and Change in consultation with the relevant Cabinet Member and CFO to make the final decision on reinvestment in order to achieve this; the resultant change "gainshare reinvestment" was completed in March 2017.

8. In addition to the gainshare reinvestment, that is anticipated to increase superfast coverage to 95%, Council officers have applied for further funding to extend broadband coverage into areas of need. The consequence of this is the proposed Phase 3 contract leading to further deployment of superfast broadband.

Phase 3

9. A third phase of provision of superfast broadband services has been made possible through the Council's funding applications and request to BDUK. This provides the Council with the opportunity to procure and appoint a supplier to extend services into areas without access to 24Mbps as a result of commercial deployment or our existing plans. This Phase 3 aims to extend superfast broadband to as many Worcestershire business premises as possible (ensuring ERDF compliance to draw down the funding), whilst, at the same time, deploying superfast infrastructure to as many residential areas of Worcestershire as is possible within the parameters of the allocated funding. Dependent upon supplier responses and the solutions offered it is anticipated that this phase could make superfast speeds available to 96% of premises; it is recognised that despite the investment to date and this potential investment we are not expecting to reach 100% superfast broadband coverage .

10. Approximately £1.1m from the ERDF has been approved in principle. A requirement of the ERDF funding is that it is fully matched, which has been provisionally secured from BDUK for £1.5m, increasing the amount of funding to be added to the Capital Programme by £2.6m. The total budget for the Phase 3 procurement will be £2.5m, as £100k is being utilised to match the County Council programme resource

11. ERDF funding must be utilised to benefit business premises which meet the needs of their eligibility criteria. It is accepted that the nature of deployment may mean that residential premises may also benefit as a result of reaching the business premises. BDUK's priority remains to extend superfast broadband coverage to as many premises as possible.

12. Private sector investment is also required for this gap funded procurement, further increasing the overall capital budget for the project; the suppliers will submit their financial models and proposed contributions as part of the tender response.

13. It should be noted that, as this is an "investment gap procurement", similar to the previous procurements, the Council will not own or manage the infrastructure, it will be owned by the preferred supplier

14. On 26 April 2017, Connecting Worcestershire programme issued Phase 3 Invitation to Tender (ITT), bid responses are expected in July 2017 and a cross-organisational tender scoring and evaluation team are scheduled to score and evaluate the tenders received, against the pre-agreed evaluation criteria. BDUK would support Worcestershire's team, with their benchmarking/value for money analysis and a comparison report, ensuring the preferred bid represents good value for money for Worcestershire's taxpayers. Further assurance would also be carried out, by the programme team, to ensure ERDF conditions are being fulfilled reducing the risk of any funding being clawed back.

15. Due to the public sector funding requirement to address the market failure in

areas without superfast broadband, state aid compliance approval is being sought through BDUK's umbrella notification (part of the checkpoint C assurance process during August).

Capital Programme Cash Limits

Recommendation

16. **The Cabinet recommends that Council approves an increase to the capital programme cash limits to include additional schools, highways and skills funding as detailed in paragraph 17 below.**

17. The County Council has received notification of capital grants and Section 106 income, and Cabinet ask that Full Council approves the following additions to the Capital Programme:

- **£8.7 million School Basic Need Allocation 2019/20**

This allocation for 2019/20 has just been confirmed. Allocations for previous years are already in the approved capital programme

- **£3.7 million School Condition Capital Maintenance 2017/18**

This Children, Families and Communities grant allocation has not been previously built into the approved Capital Programme. The Director of Children, Families and Communities, in conjunction with the Cabinet Member with Responsibility for Education and Skills, will continue the normal process of allocation to specific schemes

- **£1.3 million Highways Maintenance Incentive Element 2017/18**

This is Department for Transport grant to supplement the general highways maintenance allocation previously approved within the Capital Programme. The grant allocated is based upon the quality of Worcestershire County Council's Asset Management Plan

- **£0.3 million Worcestershire Intelligent Transport Systems 2017/18**

This Department for Transport grant was received late in 2016/17 to be used during 2017/18. The purpose of the grant is to aid the support and delivery of demonstrator schemes that are based upon co-operative intelligent transport systems

- **Skills Capital Projects 2017/18**

The County Council has received a number of grant allocations from the Worcestershire Local Enterprise Partnership Growth Fund for skills capital projects including:

£0.6 million – Engineering Facility (Skills Capital Fund)

£0.4 million – Pershore College/ Agritech

£0.3 million - META project

£0.3 million – Inclusive Centre for Entrepreneurship and Business Growth (Skills Capital Fund)

£0.1 million – Centre of Vocational Excellence

£0.1 million – Inclusive Skills Based Centre (Skills Capital Fund)

Mr S E Geraghty
Chairman

Contact Points

County Council Contact Points

County Council: 01905 763763

Worcestershire Hub: 01905 765765

Specific Contact Points for this report

Simon Lewis, Committee Officer

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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 29 June 2017.

COUNCIL
13 JULY 2017**REPORT OF CABINET - SUMMARY OF DECISIONS TAKEN**

Connecting Worcestershire Phase 3 Broadband Programme

1. A third phase of provision of superfast broadband services has been made possible through the Council's funding applications and request to Broadband Delivery UK (BDUK). This provides the Council with the opportunity to procure and appoint a supplier to extend services into areas without access to 24Mbps as a result of commercial deployment or our existing plans. The Cabinet has granted delegated authority to the Director of Economy and Infrastructure, in consultation with the Cabinet Member with Responsibility for Economy and Infrastructure, to undertake evaluation of tenders for the Phase 3 Broadband contract and, subject to being satisfied as to value for money and fully securing external public funding, to (i) finalise and execute that contract, and (ii) to approve future potential change controls to ensure pace is maintained from contract award in Summer 2017 until the end of the contract.
2. Due to Phase 1 efficiencies, at least £3.8m of the public sector funding contribution remains unspent and can therefore be classed as 'underspend'. Approximately 35% of this underspend, if not spent on extending fibre coverage, will need to be returned to BDUK in accordance with grant conditions. It is anticipated that at least £500k of this underspend will need to be allocated to committed resources. Reinvestment of the underspend funds and up to £4m of Worcestershire County Council's proportion of any further claw-back generated from Phase 1 and Phase 2, if it becomes available, would allow further investment into superfast broadband to further increase coverage to areas of the county that are not anticipated to receive superfast speeds from existing phases or the proposed solution of Phase 3.
3. On consideration of the Options and the finalisation of the Phase 3 contract, Option 3 is recommended as this allows for a considered approach to reinvestment, subject to Value for Money and community needs across existing broadband contracts and the proposed 'Phase 3' contract to extend superfast broadband coverage across Worcestershire, in areas not expected to benefit from Phase 1, Phase 2 or Phase 3 plans.
4. The Cabinet has authorised the Director of Economy and Infrastructure, in consultation with the Cabinet Member with Responsibility for Economy and Infrastructure, when the solution to Phase 3 is known, to reinvest the remaining underspend from the previously allocated £8.5m County Council capital funding and up to £4m of Worcestershire County Council's proportion of further claw-back from Phase 1 and Phase 2, if it becomes available, in accordance with Option 3 in the report; also to agree to entering required discussions with other public funding bodies with regard to their proportion of claw-back.

5. Cabinet has authorised the Director of Economy and Infrastructure to take all necessary actions to progress the Broadband Programme.

Resources Report

6. The County Council has successfully managed a financial challenge for 2016/17 by delivering £27.4 million of savings and reforms whilst at the same time managing additional cost pressures with the most significant being £3.2 million across Adult Social Care Older People and Learning Disability Services which has been supported by the flexible use of grants, and £1.2 million Children's Special Education Needs and Disability (SEND) Transport due to additional demand and changes to eligibility criteria set by Central Government. Around £6.5 million of the savings and reform plans for 2016/17 will be carried forward to 2017/18 to reflect activities that are forecast to be delivered at a later stage.

7. The Open for Business fund is now fully allocated in line with the Cabinet Member delegation of 2013, with £2.1 million already spent or committed. The remaining funds are allocated to support the County Council's European Regional Development Fund (ERDF) programmes which is the umbrella name for our business start-up and growth programmes, these are scheduled to run until 2018/19 and have just started delivery.

8. There are existing plans (subject to detailed consultation where appropriate) to deliver £37 million of savings, with £21.3 million savings in 2017/18, £12.7 million in 2018/19 and a further £3.2 million in later years. Around half of these planned savings are currently assessed to have some risk around their delivery and are subject to robust project management and support to ensure they remain on track and deliverable to time and financial target. Based on the MTFP approved in February 2017, there still remains a need to establish further proposals to balance the budget of nearly £60 million over the period to 2020/21.

9. Councils will receive as part of the Improved Better Care Fund an additional and one-off £2 billion over the next three years for adult social care, with £1 billion of this to be provided in 2017/18. The County Council's allocation of the additional monies is as follows: 2017/18 - £10.1 million, 2018/19 - £6.8 million, and 2019/20 - £3.4 million. The additional funding is one off to be spent on adult social care and used for the purposes of meeting adult social care needs, supporting reducing pressures on the NHS and stabilising the social care provider market.

10. The County Council spent £132.1 million on Capital Expenditure in 2016/17 which included £15.0 million spent on school projects, £65.1 million on local transport infrastructure, £47.4 million Energy from Waste Loan Facility and £4.6 million on other County Council services. The major sources of capital financing were external borrowing £63.8 million, capital grants and contributions £60.7 million, capital receipts £2.4 million and direct revenue contributions £5.2 million.

11. For 2016/17 the Worcestershire County Council Pension Fund had an operating surplus of £34.4 million compared to a surplus of £38.6 million for 2015/16. The Worcestershire County Council Pension Fund's net assets have increased by £530 million to £2.481 billion at the end of 2016/17. The Pension Fund's Actuary has calculated that the Council's liabilities exceed its share of the assets by £446 million at 31 March 2017.

12. The overall reduction in reserves in 2016/17 reflects planning assumptions to support increases and changes in demand for services ahead of revenue streams coming online in 2017/18 or in support of transformation projects to deliver better outcomes and value for money within the future resources that the County Council has available. The Cabinet approved the addition to specific earmarked reserves of £0.5 million Transformation Fund Spend to Save Initiatives. General balances following the financial outturn for the 2016/17 financial year stood at £12m.

13. The County Council has been working in partnership with Hartlebury Castle Preservation Trust to secure the future of Hartlebury Castle. This partnership has secured £5 million in investment from the Heritage Lottery Fund as well as other external funding from a range of charitable trusts and foundations. The retention policies of the Heritage Lottery Fund mean that the final grant payment will be made at the end of the project when the final grant claim and associated reports are signed off. This results in a negative cash flow position for the Trust for approximately 18 months of the project until completion, currently forecast to be July 2020. Following a request to the County Council for assistance to address this problem and the necessary financial due diligence, it is proposed that the County Council re-profile contributions to bridge the gap of up to £250,000, to operate from October 2018 until the conclusion of the project, with payments from the County Council to be made on a quarterly basis recovered through an appropriate interest bearing loan.

14. In accordance with Financial Regulations and the County Council's Treasury Management Policy Statement, the Chief Financial Officer is required to report annually on the activities of the Treasury Management operation. The Cabinet has noted this report.

Mr S E Geraghty
Chairman

Contact Points

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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 29 June 2017.

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COUNCIL
13 JULY 2017**QUESTION TIME**

Question 1 – Installation of sprinklers in County Council property

1. Mrs E A Eyre will ask the relevant Cabinet Member with Responsibility for Transformation and Commissioning:

"In 2004 Worcestershire County Council produced a Scrutiny report on the use of sprinklers in County buildings: schools and older people's facilities. Interestingly this report not only informed our Council but others: West Berkshire and Lancashire. Disappointingly the recommendations showed costs trumped the obvious value of sprinklers in new builds and even more so for retro fits despite the additional costs being identified as between 1.8% and 5%.

The Fire Service at that time was urging local authorities to consider installation of sprinklers in schools as part of its wider strategy.

By 2010 the County Council had moved forward. Our Corporate Services Directorate - Property Services GUIDANCE NOTES FOR DESIGNERS - MECHANICAL & ELECTRICAL stated that the County Council was particularly keen to comply with or exceed the guidance set out in DfES Building Bulletins and other guidance applicable to Local Authority premises. In respect of Sprinkler Installations Building Regulations, Regulatory Reform orders and Insurers were increasingly calling for active fire suppression systems such as sprinklers as part of the design of new schools and major extensions. DCSF BB100 sets out a risk assessment methodology which dictates the use of sprinklers in the majority of new-built schools.

Can the Cabinet Member outline the Council's current sprinkler policy in respect of:

- new build especially schools
- older local authority buildings especially schools and those housing older people

Can the Cabinet Member reassure me that our strategic property managers (PP) really do understand in their technical role that the focus should be on safety first with aesthetics and clever design coming second."

Question 2 – Sprinklers in schools

2. Mr P M McDonald will ask the Cabinet Member with Responsibility for Transformation and Commissioning :

"Would the Cabinet Member for Transformation and Commissioning please inform me how many and the names of County Schools that have water sprinklers throughout their premises and those that do not?"

Question 3 – Vehicle Activated Signs (VAS)

3. Mr C J Bloore will ask the Cabinet Member with Responsibility for Highways:

"Does the Cabinet Member with Responsibility for Highways agree with me that VAS are an important tool for communities to tackle the problems of speeding in their communities?"

Question 4 – Education support for pupils in hospital

4. Mr R C Lunn will ask the relevant Cabinet Member with Responsibility for Education and Skills:

"Can the Cabinet Member responsible for Education and Skills explain why if a school pupil is in hospital there is no provision from the County Medical education team. If a school want them to receive an education, the school must pay for a tutor through Babcock. In Birmingham the authority covers this. Why don't we?"

Question 5 – Special Educational Needs and Disability (SEND) Tribunal

5. Mrs F M Oborski will ask the Cabinet Member with Responsibility for Education and Skills:

"Could the Cabinet Member for Education and Skills tell me, in the last 2 years, how many times has the County Council been referred to an SEND Tribunal and how many cases has the Authority lost?"

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Background Papers

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) there are no background papers relating to the subject matter of this report.

COUNCIL
13 JULY 2017**REPORTS OF COMMITTEES****SUMMARY OF DECISIONS TAKEN BY THE PENSIONS
COMMITTEE**

Administering Authority – Administration Update

1. The Committee has noted the general update from the Administering Authority in relation to End of Year Arrangements, Annual Benefit Statements, Worcestershire County Council – Change to Payment System, Administration Forum, and Guaranteed Minimum Pension Reconciliation.

Malvern Hills Trust

2. The Committee had previously agreed that Malvern Hills Trust move from an open to a closed admission basis, on an 18 year deficit recovery plan, subject to Malvern Hills Trust gaining a surety bond with value of £1,178,000, the value of which is reviewed at least on a triennial basis. The bond requirement was to reduce the risk to the other employers in the Fund bearing the cost of the deficit in the event that Malvern Hills Trust are unable to pay the deficit over the 18 years recover period or in the event of early termination.
3. Malvern Hills Trust have contacted a number of banks but have been refused a surety bond without a charge on their assets, which they are unable to provide due to legal restrictions relating to their charity status.
4. The Committee therefore has agreed that the condition that Malvern Hills Trust gain a surety bond with value of £1,178,000 is removed and the Trust move from an open to a closed admission basis, on an 18 year deficit recovery plan, subject to an annual review of their financial position by the Fund.

Pension Investment update

5. The Committee has noted the Independent Financial Adviser's fund performance summary and market background.
6. The Committee has noted the update on the Investment Managers placed 'on watch' by the Pension Investment Advisory Panel, namely JP Morgan – Emerging Markets and JP Morgan – Bonds.

Infrastructure and Property Investments

7. The Committee previously approved the move to a new strategic asset allocation for the Pension Fund as part of the Fund's strategic asset allocation review. The aim of the asset allocation change is to achieve lower volatility without reducing total returns to enable a closer correlation between the Fund's assets and the longer term liability profile.

8. In February 2017 BFinance were appointed as a specialist procurement adviser to assist with the tender for property and infrastructure pooled funds. As a result of BFinance's analysis and recommendations five pooled Infrastructure and Property Fund managers were interviewed by members of the Pension Investment Advisory Panel. Following the interviews, four managers were recommended for appointment by the Pension Investment Advisory Panel. The Committee has approved the appointments of Invesco, AEW, Stonepeak and First State as the pooled Infrastructure and Property Fund managers.

9. The Committee has approved the following split of £210m commitments: £75m First State; £75m Stonepeak; £40m Invesco Residential; and £20m AEW. These commitments would ensure that there is not an over concentration with the newly proposed managers and allows for further deployment of capital in the next twelve to eighteen months to help increase vintage year diversification and take advantage of any market opportunity as they arise given the changing market environment.

Alternative Indices Investments

10. The Committee previously agreed to increase the Fund's allocation to alternative indices by 5% from the current strategic allocation of up to 10% of the Fund to 15% equities allocation. The increase was conditional on the Chairman of the Committee approving the proposed balance of alternative indices.

11. Legal and General Asset Management (LGIM), the Fund's passive equities manager, carried out detailed analysis of the Fund's current alternative indices investments. As a result of the LGIM analysis the Chair of the Pension Committee has approved the option to maintain the current factor-based strategies but change the weights allocated to each of the strategies. The Committee has noted the blend of alternative indices factors.

LGPS Central Update

12. Northern Trust has been appointed as an 'asset servicer' to provide depositary and custody facilities to LGPS Central and will be key in ensuring that LGPS Central complies with its regulatory responsibilities. Joanne Segars has been appointed as the Non-Executive Chair of LGPS Central, previously Chief Executive of the Pensions and Lifetime Savings Association (formerly known as the National Association of Pension Funds). Andrew Warwick Thompson, currently Executive Director for Regulatory Policy at The Pensions Regulator has been appointed as Chief Executive. The Committee has noted the LGPS Central update.

LGPS Central Regulatory Business Plan, Cost Savings and Regulatory Capital

13. The Committee has noted the approval of the Regulatory Business Plan for LGPS Central at the Shareholders Forum on 19 June 2017. The Committee has noted the updated Cost Savings Model and changes to forecasted savings for the Partner Funds. The Committee has approved an increase in the budget for setup costs. The Committee has approved the Regulatory Capital requirement for LGPS Central and its introduction on 31 January 2018.

Mr R W Banks
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 papers for the meeting of the Pensions Committee held on 16 June 2017.

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