

Cabinet**Thursday, 27 September 2018, County Hall, Worcester,
10.00 am****Minutes****Present:**

Mr S E Geraghty (Chairman), Mr A T Amos, Mr M J Hart,
Mrs L C Hodgson, Ms K J May, Mr A P Miller,
Mr A C Roberts and Mr J H Smith

Also attended:

Mrs E B Tucker, Mr R W Banks, Mr P Grove,
Mr R C Lunn, Mr S J Mackay and Mr L C R Mallett

Available papers

The members had before them:

- A. The Agenda papers (previously circulated); and
- B. The Minutes of the meeting held on 12 July 2018 (previously circulated).

**1864 Apologies and
Declarations of
Interest**

Apologies had been received from Mr A I Hardman and
Dr K A Pollock.

Mr Geraghty declared an interest in Agenda Item 4 as he
sits on the Midlands Connect Board and they had given
an opinion on the A38 Bromsgrove Major Scheme.

**1865 Public
Participation**

None.

**1866 Confirmation of
the Minutes of
the previous
meeting**

RESOLVED that the Minutes of the meeting held
on 12 July 2018 be confirmed as a correct record and
signed by the Chairman.

**1867 A38
Bromsgrove
Major Scheme -
Package 1**

Following a report to Cabinet in July which looked at the
strategic rationale for the A38 Major Scheme, Cabinet
considered a report which sought commitment to
Package 1 and detailed the funding strategy.

The Cabinet Member with Responsibility for Highways
introduced the report and explained the scheme was
almost entirely externally funded. No planning permission
was required, there was no need to go out to tender and
the contractor was already in place. An addition to the
Capital Programme was proposed on the understanding

that all funding would come from external bodies. It was important to agree to the scheme to allow the programme to be adhered to and to show the commitment of the County Council. The scheme would directly address the housing and employment growth in the area.

In the ensuing discussion the following main points were raised:

- A Member from outside the Cabinet pointed out that any investment in highways was welcome but as resources were tight investments needed to make the most impact. He was concerned that most development had happened in the West of Bromsgrove yet the highways investment was being made to the East, which would leave traffic having to travel through the congested town centre. Improving junctions, but not the entire A38, would just move the bottlenecks to somewhere else. There was also a question about the validity of the S106 agreements so there was no certainty that the funding was in place. In response the Leader explained that the strategic overview and discussion on what should be included to relieve congestion had been dealt with at the last meeting and this report was just about approving package 1 and where the funding would come from. The scheme was to deal with current problems as well as mitigate issues which would arise from the new large developments
- The Leader declared an interest as he sat on the Midlands Connect Board and they considered that the scheme was one of the few major projects across the Midlands which should be considered for Major Road Network Funding from the Government
- A Member from outside the Cabinet felt the Council should be sceptical about when the s106 monies could be secured as the Scheme could be left with a substantial funding gap. He also reiterated the importance of putting in yellow boxes on the Oakalls junction which would save money in the long term
- The Leader responded that the Director would answer the point about yellow boxes after the meeting. He felt the funding issue had been addressed in the report and the risk was recognised but it was necessary to weave together a number of funding streams to complete the project. It was important to provide the right infrastructure as congestion would have an impact

on the daily lives of people living in that area.

RESOLVED: that Cabinet

- (a) approved the implementation of the A38 Bromsgrove Major Scheme -Package 1, in accordance with this report, the Conditional Approval Business Case (CABC) and as shown in the attached plans (*Appendix A*) subject to the approved design and certainty of funding;**
- (b) delegated authority to the Director of Economy and Infrastructure, in consultation with the Cabinet Member with Responsibility for Economy and Infrastructure, to finalise and award the contract and other necessary agreements to deliver the Package 1 project;**
- (c) approved the Director of Economy and Infrastructure entering into such delegation agreements with Highways England as were required in order to enable the Council to exercise Highways England's powers of land acquisition in relation to Package 1;**
- (d) approved the acquisition of land required for elements of Package 1, as indicated on the red line plans (*Appendix B*), and delegated authority to the Director of Commercial and Commissioning, in consultation with the Cabinet Member with Responsibility for Economy and Infrastructure, to agree any necessary changes to the red line, land or rights to be acquired including additional land and/or rights;**
- (e) authorised acquisition of necessary land and rights over land through the making of Compulsory Purchase Orders (CPO) should it not be possible to acquire all the land by negotiation, and authorised the Director of Commercial and Commissioning, in consultation with the Cabinet Member with Responsibility for Economy and Infrastructure, to finalise the details and make such a CPO including any compulsory acquisition of rights required for the scheme, and authorised the Director of Commercial and Commissioning to approve any Statement of Reasons in relation to the land, that must accompany any CPO**

submitted for the confirmation to the Secretary of State for Transport, and noted that this would be approved prior to making of the CPO;

- (f) recommended to Council the addition of £6.3m to the Capital Programme for Package 1 on the understanding that this was fully funded by external funding sources, namely Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP), Highways England's Growth and Housing Fund (GHF) and developer contributions through Section 106 contributions, with the Worcestershire Local Enterprise Partnership (WLEP) contribution of £1.3m having already been included in the approved Capital Programme;
- (g) delegated authority to the Director of Economy and Infrastructure to enter into grant funding contracts and related agreements with GBSLEP, WLEP and Highways England and/or their successor bodies to facilitate delivery and funding of Package 1 as may be amended;
- (h) approved the need for forward funding of developer Section 106 contributions; and
- (i) supported the commencement of public engagement and stakeholder management exercises with Highways England and other organisations as required.

1868 **Balanced
Scorecard and
Corporate Risk
Update**

The Cabinet Member for Transformation and Commissioning introduced the report on the Balanced Scorecard Performance and Corporate Risk update to Cabinet. She highlighted that eight indicators were rated as 'red', however work was underway to address the four that were rated red in the Q4 update. A significant number of indicators were 'grey' as the Council could not influence them or there was no basis for rating them, and 18 of these would be removed or combined for 2018/19.

Of the 196 risks in the Corporate Risk Register, 17 were identified as high risk and work was underway to mitigate them. Corporate risk reporting was being reviewed and a new report would be produced.

The Cabinet Member for Communities welcomed the 21 green indicators and looked forward to when some of the grey indicators could turn green once measures had

been set.

RESOLVED: that Cabinet

- (a) received the latest update of the **Corporate Balanced Scorecard for Quarter Four 2017/18**, noting the 21 indicators rated as 'green' and considered actions being taken to improve performance for the 4 indicators rated 'red' where there has been an update in Quarter Four 2017/18;
- (b) noted the latest refresh of the **Corporate Risk Register** including actions to mitigate the four risk areas that are rated 'red';
- (c) authorised the **Director of Commercial and Commissioning** to review and rationalise the **Balanced Scorecard** in consultation with **Cabinet Member with Responsibility for Transformation and Commissioning**.

1869 Compliance With Well Managed Highway Infrastructure Code of Practice

The Cabinet considered the implications relating to the adoption of the new Code of Practice: Well-Managed Highway Infrastructure.

The Cabinet Member with Responsibility for Highways explained that the Department of Transport Codes of Practice would be superseded in October by one new Code of Practice – Well-Managed Highway Infrastructure. Worcestershire Highways was in a good place to adopt the new code of Practice as it had largely conformed with the previous codes. Highways already complied with the 36 recommendations, subject to some minor amendments, which was a testament to the efficient and responsible way the Highways department had been working over recent years.

It was worth the Council meeting the requirements of the Code of Practice which would enable them to continue to be a Level Three, high achieving Council and therefore continuing to receive incentive fund money, currently worth £2.43million.

The Cabinet Member with Responsibility for Health and Well-being asked how much was received from central government for being a Level Three Council. The Director of Economy and Infrastructure agreed to provide the information after the meeting.

1870 Resources Report

RESOLVED: that Cabinet

- (a) noted the review as set out in the document called "A review and response to the Well-Managed Highway Infrastructure Code of Practice", and;**
- (b) adopted the Well-Managed Highway Infrastructure Code of Practice including its 36 recommendations.**

The Cabinet considered the Resources Report.

The Cabinet Member with Responsibility for Finance (also the Leader of the Council) explained that now that they had four months of data for 2018/19 it was possible to make a projection of the outturn at the end of the year. A significant over-spend of £17.9 million was being reported. However £12.7 million of management action was also being reported which would allow the projected overspend to be reduced to £5.2million. The Leader felt that further action needed to be identified to achieve a balanced budget.

Around £15 million of the overspend was due to Adult Social Care, partly due to the social care reform programme going slower than expected and partly due to demand pressure. Adult Services had seen a greater demand and the cost of older people's care packages had increased as people were living longer with more complex and therefore more expensive, care needs. The situation was not unique to Worcestershire; Adult Social Care was seeing significant pressures around the Country. Children's Social Care costs had also increased.

The Leader believed that a national solution was required and he believed that cross-party work was required to tell Whitehall of the pressures. At the same time Management actions 'good housekeeping' would continue in order to help the in-year pressure while the shape and size of the authority would also need to be reviewed. Tough decisions were needed in order to make the financial situation sustainable. A further report would be brought back in November.

At the same time the Leader pointed out that there was some good news in the report with the purchase of land for the science park and improvements to town centres.

In the ensuing debate, the following principal points were raised:

- A member from outside the Cabinet queried why Cabinet in February had said the budget was good news. She was aware that some officers had recommended that the council should take the maximum amount of Council Tax which would have raised £2.3 million – an action that her group had supported. She was worried at the lack of transparency and that other Councillors had been kept in the dark. As Vice-Chairman of the Adult Scrutiny Panel she had been asking to look at the budget but had been refused. However she did want to congratulate the Chief Financial Officer on the clarity of his report
- A member from outside the Cabinet commented that the overwhelming issue was in Adult Services. He asked what was planned in order to get Central Government help. It was agreed that a fundamental change needed to come. He said other Councillors would support ways of lobbying Government but he was worried that the situation could get worse if it was not addressed. He asked whether there could be cross-party lobbying of Government. Whatever happened he hoped compulsory redundancies would be resisted
- In response it was agreed that Adult Services was a large part of the risk due to being demand-led. Further modelling would take place which would identify the trajectory of demand. This would not solve the issue but would help with decision-making
- This was a national problem. Increasing Council tax would only have been a short term help and would only solve a small amount of the problem. Council tax increases may have helped but it could not address what was a national funding gap
- MPs had been briefed about the issue and work had started with the County Councils Network on a coherent approach. Shire Leaders were discussing how to work together better and raise the issue nationally but the administration were open to suggestions about how that could be further progressed. The Leader thought it a sensible approach if a joint letter could be agreed between all Groups to send to Government
- The report was comprehensive and showed the administration was being open and transparent
- Worcestershire was not in crisis and there was a measured plan in place. The 2017 Group budget proposal would not have met the funding gap.

This was a national issue and it was not right to punish council tax payers. It was too early to say if there would be compulsory redundancies, but the Council needed to reshape. Tough decisions would need to be made while at the same time the most vulnerable in Worcestershire would continue to need protection

- The Cabinet Member with Responsibility for Communities welcomed the capital investment in Malvern Science Park
- The Leader pointed out that the information was now available to Scrutiny and it was important for Scrutiny Panels to meet to discuss the situation and examine areas of overspend. All members had a role in addressing the situation.

RESOLVED: that Cabinet

- (a) endorsed the Cabinet Member's conclusions concerning revenue budget monitoring up to 31 July 2018;**
- (b) noted the current progress regarding savings plans approved by Council in February 2018;**
- (c) noted the additional management savings measures outlined in Appendix 9 to address the forecast position;**
- (d) noted that the Schools Forum was considering actions to recover the overspend position on the Dedicated Schools Grant (DSG) High Needs Block and agreed to consider their responses in December, noting the financial position of the Council to Schools Forum;**
- (e) approved the budget virement amendments to the Capital Programme from the Capital Contingency for land purchase and works at Malvern Hills Science Park of £2.1 million, noting financial contributions from the Worcestershire Local Enterprise Partnership and Malvern Hills District Council to this scheme;**
- (f) recommended that Council approve the updated Capital Programme at Appendix 7, including the capitalisation of items under the additional saving proposals totaling £2.250 million, as set out at Appendix 9; and**

(g) noted the report on borrowing and lending transactions during 2017/18 detailed in paragraphs 75 to 76 and Appendix 8.

The meeting ended at 11.52am

Chairman