

Cabinet**Thursday, 14 March 2019, County Hall, Worcester,
10.00 am****Present:****Minutes**

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

Also attended:

Mr R C Lunn, Mrs F M Oborski and Mrs E B Tucker

Available Papers

The members had before them:

- A. The Agenda papers (previously circulated); and
- B. The Minutes of the meeting held on 31 January 2019 (previously circulated).

**1902 Apologies and
Declarations of
Interest**

None

**1903 Public
Participation**

None

**1904 Confirmation of
the Minutes of
the previous
meeting**

RESOLVED that the Minutes of the meeting held on 31 January 2019 be confirmed as a correct record and signed by the Chairman.

**1905 Development of
Worcestershire
Children First**

The Cabinet considered the further development of Worcestershire Children First (WCF). The details were set out in the report and appendix. The Cabinet Member for Children and Families introduced the report and highlighted a number of points. He explained that Cabinet agreed to consider broadening the scope of services transferred to Worcestershire Children First to include the full range of Children's Services, and a revised Full Business Case had been developed.

The Strategic Case had been updated to include information on Education services and there had been a resultant increase in the proposed numbers of Board

members from 9 to 11. The Economic Case showed that the creation of WCF would not bring any financial benefits, but it would improve outcomes for children and running the company would incur costs but most of that would be mitigated. The Commercial Case now included information on around 80 contracts rather than the original 17. The Financial Case showed that approximately £3.2 million would be required to establish WCF which would be paid by the Department for Education. The budget would be managed through the normal Council budget setting process.

It was agreed that various services: Skills, Commissioning of Children's Community Health Services and SENDIASS, had greater links with services outside the scope of WCF so they should remain as part of the Council.

It was suggested that the Council should not seek to extend the Babcock contract, which was anticipated to finish in 2020 and negotiations should take place to exit the contract and transfer the relevant staff and services to WCF. Economies of scale would be achieved by bringing Babcock into WCF.

The Councillors on the WCF Board would ensure there was democratic input on the Board, but the two Councillors would not be getting any further allowances for their roles. The CMR for Children and Families would not be a member of the Board as he was the statutory Lead Member and had a responsibility for ensuring the delivery of services and there would be a conflict of interest.

The seconder underlined the wish for the educational service to move into WCF at the earliest opportunity. It was not intended to seek to extend the contract with Babcock beyond its initial 5 year term when it was anticipated to end, and TUPE processes would apply at the end of the contract. It was understood that Babcock were happy to co-operate with a smooth transition. Although Education functions were not under Direction, there would be economies of scale in combining children's services in one delivery arm, although the Council would still set the Budget and policy Framework for WCF to operate within.

Various comments and queries were made by Members outside the Cabinet:

- The Chairman of the Children's Overview and

Scrutiny Panel felt that the relationship between the Council and the New Company would work well as long as Catherine Driscoll remained in post as the Council's Director of Children's Services and Chief Executive of WCF. She supported not seeking to extend the Babcock contract beyond 2020

- Following a query as to whether Babcock staff could be brought back in-house before the end of the contract, it was clarified that this would result in a financial penalty so was not seen as an option
- The Council's Scrutiny function should be allowed to consider the KPIs before they were set in stone; and once the KPIs had been set the Children's Overview and Scrutiny Panel should be allowed to review them. The Cabinet Member for Children and Families responded that it would be sensible for Scrutiny to meet the Chairman of the Board during the shadow period so that KPIs could be discussed
- It was accepted that for economies of scale it may be best that Babcock join WCF but it seemed that the staff were being moved back and forth
- There were concerns that in future the finances of WCF may require a larger share of the Council's budget than anticipated
- It was queried when Full Council had agreed to the decision to expand the services included in the Company and it was suggested that the two Councillors on the Board should be people who were not part of the inner core and Members of Cabinet. The Head of Legal and Democratic Services clarified that the arrangements for the creation of the Wholly Owned Council Company were an executive decision which was the responsibility of Cabinet to decide. Cabinet would then report its decision up to Council as before. Council holds the Executive to account but the decision on how best to discharge executive functions was for the Executive to make. However, the size of the Children's Services involved in the new company meant that it affected the Directorate structure of the Council so the structural matter would be going to Council as part of the organisational redesign – before the transfer to WCF
- it was believed that the new company would make services more robust.

The Leader wished to pay tribute to Essex County Council and he believed that the Wholly Owned

Company was the best way to improve services to children. He felt that the right decision had been made at the time to commission services to Babcock but it now made sense to align services.

RESOLVED that Cabinet:

- (a) approved the refreshed Full Business Case (FBC), attached as an Appendix to the report, which had been updated to ensure it accurately reflected the intentions of the Council in relation to the services provided by Worcestershire Children First;**
- (b) approved the recommendations in the refreshed FBC in relation to the size and scope of Worcestershire Children First;**
- (c) approved the proposal to not extend the contract with Babcock Prime beyond October 2020 when the contract was anticipated to come to a natural break at the end of the initial five-year term;**
- (d) authorised the Director of Children, Families and Communities to initiate and implement a programme to work with Babcock Prime in order to transfer Education Services into Worcestershire Children First at the earliest opportunity;**
- (e) noted the progress made in developing Worcestershire Children First including the confirmation of Company Board appointments;**
- (f) authorised the Chief Executive, in consultation with the Department for Education-appointed Children's Commissioner, Chairperson of Worcestershire Children First, Leader of the Council, Cabinet Member with Responsibility for Education and Skills and Cabinet Member with Responsibility for Children and Families, to agree the final details of and terms upon which services transfer to Worcestershire Children First;**

1906 Progress update on Joint Local Area Special Educational Needs and Disability (SEND) Written Statement of Action/Improvement Plan

- (g) authorised the Chief Executive to take all appropriate steps on behalf of the Council in relation to the development of Worcestershire Children First; and**
- (h) agreed to receive a further report in Autumn 2019 including the approval of Worcestershire Children First's Business Plan.**

Cabinet considered the update regarding the Joint Local Area Special Educational Needs and Disability (SEND) Improvement Plan. The Cabinet Member for Education and Skills highlighted the main points of the report.

The joint Ofsted and the Care Quality Commission inspection had found 11 areas of weakness in March 2018 and it was recognised that a huge amount of work was required. The SEND Local Offer (a term mandated by National Government) needed to be clarified and announced clearly to parents and professionals. The Council also had to ensure that all schools undertook their roles regarding SEND. Worcestershire had a higher proportion of people in special schools than the national average.

Ofsted had stated that they were pleased with the amount of progress and had signed off the Written Statement of Action. The Cabinet Member commended the work carried out by Officers and supported the move of education into Worcestershire Children First because of the synergy between social care and SEND.

During the ensuing debate the following comments were made:

- There was concern over the apparent moving of families with high needs out of the conurbations to areas which receive relatively less money for education
- The Worcestershire Skills Show was praised as it was expanding each year and was very successful
- A Member from outside the cabinet felt that Ofsted had not been quite as enthusiastic about the improvements as the Cabinet Member implied, but agreed that things were moving in the right direction and that Nick

Wilson was doing a good job. Parents of children with severe needs found the service was very difficult to negotiate and there were issues around transport for pupils with special needs, although it was hoped that the upcoming transport review should look at those problems. They felt that the Wyre Forest Special School had not been built big enough. It was hoped that the improvements would be implemented quickly.

It was acknowledged that progress needed to continue and agreed that Scrutiny should look at the improvements being made to SEND.

RESOLVED that Cabinet:

- (a) acknowledged and endorsed the progress made to deliver the Written Statement of Action (Improvement Plan) by all partners in order to improve outcomes for all children and young people with Special Educational Needs and Disability (SEND), by helping them to achieve their full potential;**
- (b) acknowledged the Department for Education and NHS England monitoring visits and feedback provided, including the guidance on re-inspections; and**
- (c) authorised the Director of Children, Families and Communities in consultation with the Cabinet Member with Responsibility for Education and Skills to continue to take all appropriate steps to deliver the Improvement Plan.**

1907 Resources Report - Revenue and Capital Budget Monitoring to Period 10 (Month ending 31 January 2019)

The Cabinet considered the Resources Report which gave details of the revenue and capital budget monitoring. The Leader (also the Cabinet Member for Finance) explained that the Council had been heading for a £18 million overspend but through concerted action since September the overspend was now £2.9 million. The Leader wished to thank officers for their hard work but further action was still required and vigilance was necessary due to the recognised risks of dealing with demand led services.

In the medium term there were some positive signs from Government with a consultation on the funding formula which would be population-driven rather than using

deprivation indicators and that direction of travel was endorsed; there was also the retention of business rates pilot. However it was necessary to keep the pressure on Government in order to work towards fairer funding. There was also a new grant of £0.175 million to cover additional costs which may arise because of Brexit.

The result of the funding formula was expected in June or July.

RESOLVED that Cabinet:

- a) **Endorsed the conclusions of the Cabinet Member with Responsibility for Finance concerning revenue budget monitoring up to 31 January 2019;**
- b) **noted the current progress regarding savings plans and additional management actions to reduce expenditure;**
- c) **noted that the Council was forecasting an overspend of £2.9 million after management action, but risks within this forecast remain;**
- d) **endorsed the Cabinet Member's conclusions concerning capital budget monitoring up to 31 January 2019;**
- e) **endorsed the Cabinet Member's conclusions regarding the treasury management update report;**
- f) **noted that the Council had responded to the Government's consultations on the Fair Funding Review and Business Rates Retention Reform with details at paragraphs 81 to 85;**
- g) **noted that funding approval was announced in January 2019 to support works to reduce congestion on the A38 at Bromsgrove from Highways England which totals £2.68 million; and**

RESOLVED TO RECOMMEND TO COUNCIL:

- h) **to approve an increase to the Financial Services revenue budget cash limits to reflect the use of £0.175 million grant funding over 2018/19 and 2019/20 from**

MHCLG to support additional costs that may arise because of Brexit, noting that Central Government have indicated this is not the only funding it may allocate to Local Government for this purpose.

The meeting ended at 11.15am

Chairman