

Worcestershire County Council

# Agenda

## Cabinet

**Thursday, 14 March 2019, 10.00 am**  
**County Hall, Worcester**

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## 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 3<sup>rd</sup> 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.

## Cabinet

**Thursday, 14 March 2019, 10.00 am, County Hall, Worcester**

**Membership:** 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

### Agenda

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1	<b>Apologies and Declarations of Interest</b>	
2	<b>Public Participation</b> 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 13 March 2019). Further details are available on the Council's website. Enquiries can also be made through the telephone number/e-mail address listed below.	
3	<b>Confirmation of the Minutes of the previous meeting</b> The minutes of the meeting of the 31 January 2019 have been previously circulated	
4	<b>Development of Worcestershire Children First</b>	1 - 16
5	<b>Progress update on Joint Local Area Special Educational Needs and Disability (SEND) Written Statement of Action/Improvement Plan</b>	17 - 30
6	<b>Resources Report - Revenue and Capital Budget Monitoring to Period 10 (Month ending 31 January 2019)</b>	31 - 74

#### NOTES

- Webcasting**

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

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Agenda produced and published by Simon Mallinson, Head of Legal and Democratic Services, County Hall, Spetchley Road, Worcester WR5 2NP

To obtain further information or a copy of this agenda contact Nichola Garner, Committee & Appellate Officer on Worcester (01905) 843579 or email: [ngarner2@worcestershire.gov.uk](mailto:ngarner2@worcestershire.gov.uk)

All the above reports and supporting information can be accessed via the Council's website.

Date of Issue: Tuesday, 5 March 2019

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**CABINET**  
**14 MARCH 2019****DEVELOPMENT OF WORCESTERSHIRE CHILDREN FIRST**

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**Relevant Cabinet Members**

Mr A C Roberts

Mr M J Hart

**Relevant Officer**

Chief Executive

**Recommendation**

**1. The Cabinet Member with Responsibility for Children and Families recommends that Cabinet:**

- (a) approves the refreshed Full Business Case (FBC) attached as an Appendix which has been updated to ensure it accurately reflects the intentions of the Council in relation to the services provided by Worcestershire Children First;**
- (b) approves the recommendations in the refreshed FBC in relation to the size and scope of Worcestershire Children First;**
- (c) approves the proposal to not extend the contract with Babcock Prime beyond October 2020 when the contract is anticipated to come to a natural break at the end of the initial five year term;**
- (d) authorises 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) notes the progress made in developing Worcestershire Children First including the confirmation of Company Board appointments;**
- (f) authorises 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;**
- (g) authorises the Chief Executive to take all appropriate steps on behalf of the Council in relation to the development of Worcestershire Children First; and**

**(h) agrees to receive a further report in Autumn 2019 including the approval of Worcestershire Children First's Business Plan.**

**Background**

2. In March 2018, the Cabinet agreed to the development of a Wholly-Owned Council Company as the chosen delivery model to deliver children's social care. This decision was in direct response to the statutory direction published on 19 September 2017. The aim being at the point of transferring services into the Company, the Service will be performing well and the Company will have a positive platform in which to sustain the improvement as well as further improve outcomes for children and young people. This decision was informed by a full business case which followed the 'Five Case Model' contained within HM Treasury's guidance.
3. From April 2018, the programme entered the implementation phase and a detailed programme plan was developed. Decisions since then include Cabinet agreeing the name and legal form of the Company in July 2018 (the Company has been registered as Worcestershire Children First and as a company limited by guarantee), along with the Parliamentary Under Secretary of State for Children and Families agreeing to extend the implementation programme and move the formal launch of Worcestershire Children First to 1 October 2019. The change in go-live date allows for the better management and predicted overload on social work business throughout the early part of 2019 and will allow for a shadow period to commence from 1 April 2019.
4. As part of the implementation phase, thorough consideration has been given to what is best for children and young people, and this work has been carried out in context of the wider improvement agenda (e.g. special educational needs and/or disability (SEND) inspection and improvement plan) for Children's Services, the change in senior management structure of the Council and the current financial context of the Council.
5. This led to Cabinet, in November 2018, agreeing to consider broadening the scope of services transferred to Worcestershire Children First to include the full range of Children's Services. This decision subsequently triggered a refresh of the Full Business Case originally approved in March 2018; a more detailed analysis of the proposals to extend the responsibility of Worcestershire Children First to include education and early help; and a re-design of the Programme Plan. The output of these three areas forms the basis of this report.

**Full Business Case**

6. The Full Business Case (FBC) represents the intentions of the Council in creating a Wholly-Owned Council Company (WOCC) for the delivery of high-quality Children's Services in Worcestershire. It is intended that the WOCC would have the majority of Children's Services in scope, recognising the importance of education and wider preventative services in the overall journey and needs of children both within their wider community as well as their home.
7. The premise of the WOCC is to improve outcomes for all children in Worcestershire by addressing their needs holistically through early help and prevention, education provision and social care. The WOCC would have the opportunity to carry out services differently and to integrate services more closely together so that services are delivered as part of one seamless organisation. This will enable children, young people and

families to feel valued, heard, and that staff are responsive to their needs across a variety of services within the system. All Company staff would be working together towards the same goals, dedicated to improving outcomes for those in need.

8. The Full Business Case (FBC) has been drafted to make the case for the development of an Alternative Delivery Model (ADM) for the Council's Children's Services. The previous FBC was originally approved by Cabinet on 29 March 2018 for Children's Social Care services only.

9. Since the previous FBC, an implementation programme has commenced, during which a number of key programme components have changed, including the go-live date and the scope of services transferring into the ADM. As such, the FBC has been revisited and revised during January – February 2019, to ensure it accurately reflects the intentions of the Council.

10. The FBC has been created using the 'Five Case Model' comprising the following key components:

- The **strategic case** - this sets out the case for change, together with the supporting investment objectives for the arrangement
- The **economic case** - this demonstrates that the organisation has selected the most economically advantageous offer, which best meets the existing and future needs of the service and optimises value for money
- The **commercial case** - this sets out the content of the proposed 'deal', i.e. that the ADM is commercially feasible for the Council to implement
- The **financial case** – this describes funding arrangements, the required budget, and key considerations for the affordability of the ADM, and
- The **management case** – this specifies the plans for the successful delivery of the programme of work to cost, time and quality.

### **Strategic Case**

11. The content of the Strategic Case has been updated to include information on the key strategies and improvement work across Education, School Improvement, Special Educational Needs & Disabilities and Early Help Services. This is additional to the previous content that focused on Social Care Services. The vision, mission and values of the ADM have also been updated to reflect a broader scope as well as the composition of the proposed Company Board. The previous FBC outlined a Board structure of nine individuals whilst the updated version proposes a structure of 11 Board members. This allows for an additional Executive Director to join the Board to represent Education and Early Help and an additional Council-appointed Director (elected Member).

12. The Strategic Case also summarises the children's services in-scope, as well as associated staff expected (as of January 2019) to transfer to the WOCC as a result of the broadened scope. This excludes WOCC internal support services which is likely to be another significant group of staff, though this is still to be determined as well as any external contracts. This is based on the 2019-20 budget of approximately £100M, which increases in following years (currently due to inflation).

- Total – 824 Full Time Equivalent (FTE) Staff
- Safeguarding – 660.5 FTE

- Education & HTST – 74.74 FTE
- Early Help – 55.41 FTE
- Senior management and admin support – 33.10.

Note: The Financial Case (section 6) describes cost and staffing figures in further detail, including the increase in budget from 2019/20 onwards.

13. The Strategic Case concludes by stating that the case for change has been clearly demonstrated through the Strategic Case, citing a number of improvement goals and outcomes, as well as the Direction from the Department for Education (DfE). The vision and outcomes of the ADM, the scope of services and the high-level design have been discussed and agreed in principle with a wide range of stakeholders within the Council. Consequently, the Strategic Case provides a sound basis to proceed with the FBC.

### **Economic Case**

14. The Economic Case has been updated to reflect the amended estimated Company contract value of £100m, as well as the transition costs of an estimated £3.15m. Furthermore, two additional benefits were added. It concludes by stating that the Company model presents a wide range of opportunities for services which if executed successfully, will enable the service to enhance itself to 'good' or 'outstanding'.

15. The development of a WOCC does not present significant financial benefit; however, this is not the purpose of the investment. The implementation and running of the WOCC will incur further cost. However, a large proportion of the additional costs are mitigated through DfE funding to cover implementation costs. Ongoing work is required to understand the impact on the Council's finances. The WOCC model presents some risks (addressed in the implementation plan), though none of these risks have been identified as insurmountable or puts the Council in jeopardy providing they are actively mitigated. Provided attention is brought to these areas through the design, the Company could bring significant value to the users, public and to the Council.

### **Commercial Case**

16. Much of the original content of the Commercial Case is still relevant to the updated scope and therefore has not changed significantly. The biggest area within this case relates to the proposed relationship with the range of support services that would be required for the WOCC to function. The current working assumption being that in the main, for most of these services, the WOCC will buy back from the Council.

17. The Commercial Case also includes information around the third party contracts in scope of the WOCC's proposed remit. This section has been updated to reflect that there are approximately 80 core contracts in scope for consideration, as opposed to the original 17.

18. The VAT section has also been updated to reflect HMRC wording on whole service children's companies, but that final confirmation from HMRC will be obtained as part of the budget development for the Company. In summary, it is unlikely the WOCC will incur additional VAT costs as a result of services transferring into the WOCC. However, if additional costs are incurred because of the size of the social care element it is possible this would be funded by the DfE or make the company unviable which would then trigger the relevant termination clause.



19. The refreshed Commercial Case outlines the ADM's potential approach to trading opportunities. Whilst the focus of the WOCC will be to deliver excellent children's services on behalf of the Council, and to improve outcomes for children and young people, there are also opportunities to consider, particularly within the Education provision, regarding traded services that would allow the WOCC to generate a relatively small amount of additional income outside of its contract with the Council. In light of existing budget pressures, the ability to generate income whilst delivering valuable services to children and young people is attractive.

20. As Children's Education services will transfer to the WOCC, the WOCC may wish to explore and manage the delivery of these services in order to generate income. However, this is an area that requires full investigation through the implementation programme, working with the contracts team, legal team and Education teams to develop a detailed design/proposal.

### **Financial Case**

21. This section of the FBC has seen the biggest change because of the updated scope as it outlines the projected financial impact of establishing the WOCC. As noted in the economic case, the key driver for the WOCC is improvement of outcomes for children, not cost reduction or income generation.

22. In summary it is estimated that:

- An investment of approximately £3.2M will be required to establish a WOCC. This is based on financially prudent assumptions and may change during implementation as key decisions are taken, in particular on where the WOCC will be located. This expenditure is funded by a Section 31 DfE grant
- The recurrent gross expenditure (2019-20) of the service budgets is estimated at £120.1M, with recurrent income of £27.8M and a subsequent net budget of circa £92.3M. This excludes support services costs, as well as additional ADM costs
- The total net budget (2019-20), including support services costs and additional ADM costs is circa £99.1M
- Based upon recent guidance from the DfE and HMRC the WOCC can class all services as a single, VAT-able supply, and can therefore invoice the Council at standard rate, recovering the VAT on their purchases. This financial case assumes there is not an irrecoverable VAT issue that needs to be accounted for
- The Dedicated Schools Grant (School Block) is not currently included within the budget tables that follow in the financial case. The DSG is over £200M of funding that currently flows through the Council to Worcestershire schools. Whether the WOCC should administer the DSG (School Block) is currently under review.

23. In order to formulate the Finance Case to estimate the costs and risks associated with the WOCC and create a robust 5-year Financial Model, a number of informed assumptions have been made regarding the scope of services, buy-back arrangements, technical and financial arrangements of the WOCC, property arrangements, set-up requirements, the DfE intention to provide funding and the anticipated budget.

24. The affordability of the WOCC is heavily dependent on the agreement made between the Council and the DfE regarding set-up funding, which has now been confirmed and is in use. The ongoing Financial Model is regularly revisited to ensure the Council has the budget to be able to successfully deliver the service within the proposed WOCC through the Programme's Budget Development Working Group. The final budget agreements will form part of the service delivery contract and final terms that the Company is created.

25. It is anticipated that the services in the WOCC will be subject to the same pressures around demand for services and unit costs as they would if they were to remain in the Council. The financial implications of this and any growth/investment required to the Company budget will be managed through the Council's usual budget setting process which will require significant engagement with the Company. Equally, any future requirements for the WOCC to drive savings plans on behalf of the Council will also be managed and agreed through the Council and Company budget setting processes.

### **Management Case**

26. The Management Case has been updated to include a revised programme plan and critical path timescale. The conclusion remains the same that the case provides a robust understanding of the critical activities and risks associated with the implementation phase. It has considered the timescales for delivery of other similar children's services company implementation and mapped this against Council capabilities and resources.

27. Consequently, the ADM Programme Team have demonstrated it is able to resource and plan the implementation phase (up to 1 October 2019) to time and budget (subject to key internal availability). It is recognised that the plan will be iterative and dependencies must be revisited regularly, to understand the impact on the critical path timescales, and that there are significant risks regarding capacity across the Council.

28. The ADM Programme has already been resourced and is well-governed, with robust mechanisms for monitoring risks and milestones in place. Whilst the inclusion of wider children's services does place pressure on the Programme, providing the requested resources continue and the Programme continues to be governed effectively, the ADM Programme will be well-placed to successfully deliver the implementation of the WOCC.

29. The FBC demonstrates a comprehensive understanding of the proposed WOCC model, activities required, technical and financial considerations, and risks associated with implementing this option. It has been updated to reflect the Council's intention to develop a WOCC which has the majority of Children's Services in scope, recognising the overall journey and needs of the child within their wider community as well as their home. It is therefore, recommended, that the Cabinet approve this updated version of the FBC which will then be used to inform the remaining implementation phase.

### **Proposed change in scope for Worcestershire Children First**

30. On 15 November 2018, Cabinet noted the proposals to broaden the scope of services transferred to Worcestershire Children First to include the wider range of Children's Services. This proposal did not include the transfer of services commissioned by Public Health (i.e. Health Visiting) which remain outside of the proposed wider scope of Worcestershire Children First.

31. Cabinet noted that widening the scope of functions transferred into Worcestershire Children First has a number of benefits:

- Firstly, and most importantly, it strengthens the focus on improving outcomes for children and young people as Worcestershire Children First's Board of Directors will have a single unwavering focus on children and young people. With a broader scope, this focus will cover the full range of services for children and young people thus supporting a more inclusive and integrated approach. There will also be opportunities, which otherwise would not have existed, to integrate service provision together, such as services for children with SEND
- Broadening the scope of responsibilities for Worcestershire Children First will also keep the focus on improvement in one place as both Children's Social Care and services for children and young people with SEND are subject to Ofsted monitored improvement plans. The operational implementation of the improvement plans will be the responsibility of the Company and will be led by the Board of Directors and Senior Leadership Team
- There are also financial benefits to widening the scope of functions transferred given the opportunity to integrate service provision. There are also economies of scale to be made in the provision of support/back office services and the Company's executive leadership team. However, these benefit, whilst important, are considered secondary to those that focus on improving outcomes for children and young people.

32. Since November, along with the refresh of the full business case, work has been completed to ascertain more detail about the proposed additional services in scope including the funding source, the statutory duties involved and the implications of moving it to Worcestershire Children First.

33. This work has concluded in the following teams/functions and services being proposed to be in-scope of transfer to Worcestershire Children First. Collectively these teams/functions oversee or deliver all aspects of children's services and provide opportunities for a much greater focus on prevention and the need for integrating services for the most vulnerable learners. Due diligence is ongoing to ensure any delegation of statutory functions to the Company complies with legislation.

Independent Review and Quality Assurance	Principal Social Worker
Children with Disabilities (CWD) including:- Locality Social Work Teams Equipment for CWD Domiciliary Care for CWD Children's Homes and Short Breaks	Specialist Services including:- Specialist Family Support Homeless Intervention Team Emergency Duty Team Supervised Contact Team
Safeguarding Locality Teams	Targeted Family Support
Family Front Door including:- Targeted Family Support Contact and Referral Assessment Teams Community Social Work Function	Through Care Services for Looked after Children and Care Leavers

Fostering and Kinship Care	Outreach and Supported Living for Care Leavers – non CWD
Safeguarding Teams & Group Manager	ISL: Health & Well-being for Looked after Children
Workforce development* (budget – not team)	Financial function Section 17 & Section 20 Support
In House Residential Children's Homes - mainstream	Adoption Services (those not in ACE)
Special Guardianship, Direct Financial Support & Residence Orders	Participation and engagement with children and young people
Early Intervention Family Support	Virtual School for Looked After Children and Vulnerable Groups
Commissioning and contract management of early help services for vulnerable children and families	Assessment of needs and effective planning for children Special Education Needs and Disabilities (SEND)
Commissioning – Education	Education Adviser (safeguarding)
Troubled Families Programme	Provision Planning and Accommodation
Early Years education and childcare	Education and School Improvement Services
Early Help Quality Assurance Improvement	Business Process development

34. All of these areas listed above are currently part of the Director of Children, Families and Communities' remit and have close working relationships and interdependencies with each other and are best placed within Worcestershire Children First.

35. When reviewing the scope of Worcestershire Children First there were a few services/functions that required more investigation in terms of contractual and legal arrangements and the working relationships with other Council services before determining whether they can or should transfer to Worcestershire Children First. These were the Skills Team, the Special Education Needs and Disabilities Independent Advice and Service (SENDIAAS) and Joint Commissioning of children's community health services. The future positioning of these three functions are outlined below.

## Skills

36. The Skills functions and subsequent teams perform a variety of functions which include working with young people to help them remain in education; employment or training; access to both formal and informal adult learning activities; helping to increase and celebrate the number of apprenticeship opportunities across the county and broader support for the Council's Open for Business priority through working with the Local Enterprise Partnership.

37. These functions work closely with schools, colleges and a range of children's services to help support young people into positive education, employment or training opportunities. The adult learning and post-16 provision are subject to an Ofsted inspection (currently graded Good) under the Further Education and Skills framework. Both of these factors support the positioning of the team within Worcestershire Children First.

38. However, a large proportion of the team works with the adult population and the business sector which falls outside of the core remit of Worcestershire Children First.

Many of the teams and functions are also delivered through contracts with the European Social Fund (ESF). It is currently unclear whether these contracts could be novated over to Worcestershire Children First and given the UK's intention to exit the European Union the future of this funding is unclear.

39. It is therefore recommended to leave these functions within the Council and consider their ongoing position as part of the wider remodelling work across the Council. In doing this, it is important to note that the work carried out by this function with vulnerable young people/adults (Post 16/NEET Prevention) falls part of the statutory remit of the Director of Children's Services and is integral to wider outcomes Worcestershire Children First will be responsible for. Therefore, there will need to be a formal arrangement between the Council and Company to ensure these functions continue. It is envisaged, in the first instance, that this would be included in the Council Dependency schedule within the Service Delivery Contract with Worcestershire Children First in order to keep offering an integrated skills offer.

### **Joint Commissioning of Children's Community Health Services**

40. The Commissioning Children's Health Services is a function that commissions children's health services under a section 75 Agreement between the Council and Worcestershire's Clinical Commissioning Groups (CCGs). It is a relatively small team (4.8 FTE) and it works on behalf of the CCG, and the local authority to commission services to meet health needs for children and young people. The section 75 agreement is in place to support the alignment or pooling of budgets between the NHS and local authority health-related functions. It has supported greater integration of services for children and young people and a more efficient way to commission services. As such the Council remains committed to retaining these arrangements

41. The team currently works and is managed by the wider children's commissioning functions that are transferring into Worcestershire Children First. It also works closely with Public Health and CCG commissioners who are also responsible for commissioning services for children and families such as Health Visiting, School Nursing, Maternity Services and Acute Health Services. These wider health-related commissioning functions are not transferring into Worcestershire Children First. Therefore, regardless of positioning, this function needs to actively work as part of a 'virtual' team that works collectively together to commission integrated, efficient and effective services that improve outcomes for children and young people.

42. There are plans for strengthening the 'virtual' commissioning team to promote an even greater focus on integrated commissioning for children and young people and to create a coherent governance system reporting to the Children and Young People's Strategic Partnership and the Health and Well-Being Board.

43. Following discussions with the CCGs, the intention is to keep commissioning functions for children and young people as closely integrated as practically possible and further work is being carried out on strengthening the 'virtual' commissioning team for children and young people mentioned above. However, the legal advice around the section 75 agreement (made under NHS Act 2006) has concluded that the powers to make section 75 agreements rest with the Council and the statutory discretion to do so **cannot** be contracted out or delegated to Worcestershire Children First. Therefore, it is recommended that the staff working as part of this team remain in the current employment arrangements, but they are co-located within Worcestershire Children First

on a day-to-day basis to support the continuation of integrated working and a memorandum of understanding is put in place between the CCGs and Worcestershire Children First.

## **SENDIAAS**

44. The Special Educational Needs and/or Disability Information, Advice and Service (SENDIAAS) service provides an impartial and confidential support service for parents and carers of children, and young people up to the age of 25, with special educational needs and disabilities (SEND). The service offers free advice and one-to-one support about education, social care and health entitlements, and can help parents and carers plan their child's future.

45. SENDIAAS currently sits separately from the core SEND service that is in scope into Worcestershire Children First as it offers parents, carers and young people an independent and impartial service. Maintaining the service's independence and impartiality is a critical factor to consider in its future positioning, legal advice is also that the statutory discretion cannot be delegated away, so it is therefore recommended that it remains outside of the remit Worcestershire Children First and work takes place with parents and carers to review and confirm recommendations that may include the service becoming a completely separate function delivered outside of the Council.

## **Support Services**

46. In addition to the table of services outlined in paragraph 33, Worcestershire Children First will require a number of support services (such as Finance, Legal, Human Resources) in order to function. The Commercial Case outlines the proposed working relationship between the Council and Worcestershire Children First with the current working assumption being that in the main, for most of these services, the Company will buy back from the Council.

47. As part of the Programme Plan there is a specific workstream (Workstream 12) dedicated to the development of support service specifications that describe what the Company can expect from the Council. These specifications will form part of a formal contractual agreement which will be discussed and agreed as part of the planned dialogue sessions.

48. In addition to this, as part of the organisational design of Worcestershire Children First, work is progressing on confirming the roles and functions within the Director of Resources areas of responsibility. This will be confirmed as part of Worcestershire Children First's Business Plan which will include a section on its organisational design and structure.

## **Third Party Contracts – Babcock Prime**

49. The Council's proposal to broaden the scope of Worcestershire Children's First to enable a single unwavering focus on children and young people, has increased the amount of contracts and frameworks that are in scope of novation to the Worcestershire Children First. Excluding the regional frameworks the largest contract is with the provider Babcock Prime.

50. The Council contracted with Babcock Prime in October 2015 to deliver ‘Learning and Achievement Services’ for a 5 year period, with an ability to extend up to a maximum period of 7 years. The contract consists of the delivery of a range of core services which are outlined in the table below and approximately 120 Full Time Equivalent (FTE) staff are directly employed by Babcock Prime to deliver these services. Babcock Prime also delivers their own traded services to other customers including schools and the Council, but this falls outside of the contract with the Council.

Autism/ Complex Communication Needs	Early Years Inclusion
Careers Advice (previously Post-16 Engagement)	Education Psychology
Children in Education and Employment – licencing, chaperone checks etc	Ethnic Minority Achievement/ English as an Additional Language (EMA/EAL)
Children Missing Education (CME)	Elective Home Education (EHE)
Early Years and Childcare – includes support for nursery settings	Education Investigation Service/ Education Welfare
Exclusions	Medical Education Team (MET)
Governor Services	School Admissions
Gypsy, Roma, Traveller Education Team	School Improvements
Learning Support Team - fully traded service	Sensory Impairment
Virtual School for Children Looked After (VS for CLA)	

51. In order to realise the benefits of widening the scope of Worcestershire Children First and creating an integrated service which brings the education and social care offer closer together with a particular focus on prevention and vulnerable learners, it is recommended that the contract with Babcock Prime is not extended and is allowed to naturally expire at the end of the initial five year term.

52. Exit planning and transfer arrangements are detailed in the contract and comprehensively describe the obligations of the provider and Council to ensure there is no disruption to the supply of services and no deterioration in the quality of service delivery. It is therefore recommended that the Director of Children, Families and Communities is given authorisation to enter into dialogue and work in partnership with Babcock Prime and the education sector (e.g. schools, early years settings and colleges) to initiate the exit planning and transfer arrangements in order for services to transfer into Worcestershire Children First at the earliest opportunity.

### **Programme Update**

53. Following November's Cabinet meeting, the Programme Plan has been re-worked to factor in the refresh of the FBC and the widened scope of Worcestershire Children First. This Programme Plan is still built around 13 workstreams and an updated version is now part of the Management Case of the FBC. Specific areas of progress include:-

#### **Workstream 1: Company Design**

54. Work has commenced on developing Worcestershire Children First's Business Plan. This is a Company-owned document that articulates in detail how the Company is organised and how it intends to deliver its key objectives. The Business Plan will be signed off by Cabinet in the Autumn ahead of go-live on 1 October 2019.

### **Workstream 2: Commissioning and Partnership Management**

55. A Commissioning and Partnership Management Function has been created within the Council for the purposes of managing the Council's performance management of Worcestershire Children First. This function fulfils the Council's necessary strategic commissioning expectations (as the Accountable organisation) by developing and refreshing the Council's ongoing expectations of Worcestershire Children First. They will also lead the periodical monitoring of performance of the Company.

### **Workstream 4: Service Delivery Contract**

56. The Service Delivery Contract and relevant schedules are being drafted and expanded to take into account the wider scope. Lawyers have been appointed to specifically support Worcestershire Children First and formal dialogue commences the week commencing 11 March 2019 to begin discussions around agreeing the terms of the final transfer.

### **Workstream 6: Finance**

55. The main focus of the Finance workstream is the Budget Development Working Group, which meets monthly and members include the Council's S151 Officer and the Company Chief Executive. The Group is working towards defining the budget required for the Company for both the October 2019 – March 2020 period and the 2020/21 full financial year. The company bank account has been set up and work is ongoing in terms of VAT registration. Options for use of a Finance system are being drafted with a requirement to have a system in place for Company go-live.

### **Workstream 8: Board Recruitment**

57. The refreshed Business Case outlines the proposed composition of the Board to include 11 Board Members including a Chair (appointed by the DfE whilst the Council remains in intervention), four Executive Directors including the Chief Executive; 3 Council appointed Members (two Councillors, one Officer) and three independently appointed non-executive directors.

58. Interviews for the Chairperson take place in the week commencing 11 March and recruitment for the remaining three non-executive Directors has commenced. Appointments for these roles are due to be made by early April 2019.

59. For the four Executive Directors, Catherine Driscoll has been appointed as the Chief Executive of Worcestershire Children First whilst continuing in her role as the Council's Director of Children, Families and Communities in the interim and will continue to hold the statutory post of Director of Children's Services for the Council after 'go-live'. Tina Russell, the Assistant Director for Children's Social Care will TUPE transfer into the Company as the Director of Children's Social Care and will take up a position on the Board. The Director of Resources is a new position which is being recruited to externally and an appointment is expected to be made in early March. The fourth and final



Executive Director will be a Director of Education and Early Help and will be recruited to in due course.

60. The Council-appointed Board Members are two elected members and one officer. The two elected members to be appointed to the Board are Councillor Karen May, Cabinet Member with Responsibility for Transformation and Commissioning and Councillor Marcus Hart, Cabinet Member with Responsibility for Education and Skills. Both Councillors May and Hart currently sit on the Worcestershire Children First Programme Board and are closely involved with the development of the Company. The Council-appointed officer will be confirmed in due course when the Council's re-design becomes clearer.

61. The Cabinet Member with Responsibility for Children and Families (Councillor Andy Roberts) has political responsibility for the leadership, strategy and effectiveness of children's services. He also fulfils the statutory role of Lead Member for Children's Services and as such would have a conflict of interest if he were to become a Council-appointed Director of Worcestershire Children First. Instead he will form part of the Council's ongoing oversight of supporting and challenging the effectiveness of Worcestershire Children First in improving outcomes for children and young people (as part of the wider Commissioning and Partnership Management function).

### **Legal, Financial and HR Implications**

62. The intention is that the Company will remain a WOCC and it is not expected that the broadening of the scope of the Company's activities will have a direct or material impact on the application of the 'Teckal' exemption pursuant to Regulation 12 of the Public Contracts Regulations 2015 (Regulation 12). The material issue remains that of the activities being undertaken on behalf of the Council and that the various Regulation 12 requirements continue to be met rather than the subject matter of those activities. The Council's statutory functions can only be exercised by a third party such as the Company - i.e. the exercise of statutory discretion, rather than just delivery – where permitted by the deregulation and contracting-out legislation. This is in general permitted for children's social care through a non-profit-making organisation such as the Company, and many but not all education functions. There will be, therefore, functions within scope where the exercise of statutory discretion can only be done by the Council and its officers (which would include its statutory Director of Children's Services acting in that role).

63. Work completed on refreshing the financial case summarises the financial impact of developing and delivering Worcestershire Children First. A summary is included in paragraphs 21-25 in this report.

64. Paragraph 12 outlines the likely full time equivalent staff in scope of transfer into Worcestershire Children First. In addition to this will be a number of support staff that are to be transferred into the Company (still to be determined) as well as the transfer of Babcock Prime employees upon the conclusion of the contract with Babcock. Work is progressing on designing the organisational design and structure of Worcestershire Children First with the ambition being that any necessary re-organisation of internal structures (particularly in Education and Early Help Services as Social Care structures have already been re-organised to be 'Company-ready') are completed prior to the commencement of TUPE consultation in Summer 2019. Work is also in progress in

confirming the actual location of Worcestershire Children First's Headquarters, which will be somewhere on the County Hall campus.

### **Equality and Diversity Implications, Privacy and Public Health Impact Assessments**

65. The Council must, during planning, decision-making and implementation, exercise a proportionate level of due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010
- Advance equality of opportunity between people who share a protected characteristic and those who do not
- Foster good relations between people who share a protected characteristic and those who do not.

66. An Equality Relevance Screening has been carried out in respect of these recommendations. It identified that further equality impact analysis and public health impact assessments will be required in respect of staff, service users and the wider community during design and implementation of activity needed to give effect to the recommendations set out in this report.

67. The services and functions being transferred into Worcestershire Children First have the duty to improve outcomes for children and young people, and these outcomes directly or indirectly impact on their health. The Public Health Ring-fenced Grant is being used to support some of these services, specifically some Early Help services, in this context. A full Public Health Impact review will be carried out on services, including evaluation of impact and effectiveness.

### **Risk Implications**

68. Section 3.8 of the FBC outlines the risks and constraints of developing a wholly-owned council company. In addition, the Worcestershire Children First implementation programme maintains a list of all the potential operational risks and issues to the programme. This is reviewed on a monthly basis through the governance groups e.g. Worcestershire Children First Programme Board.

### **Supporting Information**

- Appendix - Full Business Case (electronic version only)

### **Contact Points**

#### County Council Contact Points

County Council: 01905 763763

#### Specific Contact Points for this report

Hannah Needham, Assistant Director of Families, Communities and Partnerships

Tel: 01905 843658

Email: [hneedham@worcestershire.gov.uk](mailto:hneedham@worcestershire.gov.uk)

## **Background Papers**

In the opinion of the proper officer (in this case the Chief Executive) 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 March 2018, 12 July 2018 and 15 November 2018.

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**CABINET**  
**14 MARCH 2019****PROGRESS UPDATE ON JOINT LOCAL AREA SPECIAL  
EDUCATIONAL NEEDS AND DISABILITY (SEND) WRITTEN  
STATEMENT OF ACTION/IMPROVEMENT PLAN**

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**Relevant Cabinet Member**

Mr M J Hart

**Relevant Chief Officer**

Director of Children, Families and Communities

**Recommendation**

- 1. The Cabinet Member with Responsibility for Education and Skills recommends that Cabinet:**
  - (a) acknowledges and endorses 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) acknowledges the Department for Education and NHS England monitoring visits and feedback provided, including the guidance on re-inspections; and**
  - (c) authorises 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.**

**Background**

- 2. In March 2018, Ofsted and the Care Quality Commission (CQC) conducted a joint inspection of the local area of Worcestershire to judge the effectiveness of the area in implementing the special educational needs and disability (SEND) reforms as set out in the Children and Families Act 2014. As a result of the findings of this inspection and in accordance with the Children Act 2004 (Joint Area Reviews) Regulations 2015, Her Majesty's Chief Inspector (HMCI) determined that a Written Statement of Action (WSOA) was required because of significant areas of weakness in the local area's practice. The local authority and the area's clinical commissioning group (CCG) are jointly responsible for submitting the written statement to Ofsted.**
- 3. The WSoA was prepared together with Health colleagues, parents and carers, head teachers and other key stakeholders. The WSoA is outcome and objective based addressing the 'so what difference will this make?' question in a way that is**

both deliverable (in stages) and measurable (so it is reportable through agreed governance routes and also to the DfE, NHSE and OFSTED)

4. In July 2018, Cabinet was asked to acknowledge that progress was underway on the Written Statement of Action (Action Plan) and authorise the Cabinet Member with Responsibility for Education and Skills to approve the Action Plan on behalf of the Council for sending to Ofsted/CQC. The final draft WSoA was reviewed by the Children and Families Overview and Scrutiny Panel on 8 August 2018, providing useful questioning and feedback prior to the submission to Ofsted. The WSoA was submitted to OFSTED on Monday 20 August – 70 working days after receipt of the SEND Local Area Inspection report. On Friday 14 September, Ofsted confirmed that the WSoA was fit for purpose subject to some minor alterations. The amendments have made by Local Area partners. The Cabinet Member with Responsibility approved the amended WSoA on 8 October.

5. The CCG Board met to consider the amended WSoA on 24 October and confirmed approval.

6. The WSoA has five workstreams each led jointly by representatives from the Council, Health and Partners – it has a detailed reporting and governance process to ensure accountability at all levels including SEND Improvement (Strategic) Board, Health and Wellbeing Board, ICEOG, CCG Governing Body and Cabinet updates.

### **Safeguarding actions**

7. This section of the WSoA responds to the concerns raised by Inspectors about vulnerable children who had moved to Worcestershire from London. It identifies concerns arising from the use by schools of part-time timetables and practices whereby children are removed from school rolls and consequently are missing from education. The action leads to enhanced monitoring and the introduction of a weekly monitoring process that triggers intervention and challenge where necessary. An officer forum meets weekly where persistence in locating and tracking missing children is its single focus.

8. The Key Concern identified by Ofsted was "the safeguarding concerns around: children and young people from London boroughs who are housed locally; the use of long-term part-time timetables; children taken off roll and missing education;"

9. Activity to address this key concern was implemented quickly. The Director of Children, Families and Communities wrote to the Directors of Children's Services of London boroughs requesting information about the relocation of families including vulnerable children in order that Worcestershire can track their arrival. The Director also raised regionally and nationally the issue of movement of vulnerable children across Local Authority boundaries particularly where this involves a significant distance to seek debate on approaches to tracking to strengthen Children Missing Education (CME) arrangements. Missing Monday Meetings are held on a weekly basis. Schools have been reminded of their duties regarding returning data and provide update guidance on part time attendance. New processes are in development for schools to notify the Local Authority. Pupil deletion recordings are becoming more efficient, monthly CME team meetings are taking place. Three hundred Designated Safeguarding Lead's (DSL) attended a conference in November regarding safeguarding, including part-time timetables. School governors and

Headteachers have been and continue to be formally trained on Exclusions. Schools are receiving additional intervention support to maintain and increase attendance.

### **Workstream 1 - The Local Offer**

10. This section of the WSoA responds to the concerns raised by Inspectors that Worcestershire parents/carers and their children and young people, and professionals working in the Area, were not able to access up to date and accurate information about provision, facilities and arrangements for children and young people with SEND. This Workstream set out plans for improving the design, content and functionality of the website that hosts information about the Local Offer. The Local Offer is the totality of the special educational provision, arrangements, processes that the Local Authority and its statutory partners, Health and Social Care, expect to be available in Worcestershire for resident children and young people with SEND between 0 and 25 years of age. Inspectors also expressed concern that there is a lack of suitable specialist provision.

11. The Key Concerns identified by Ofsted were, "The lack of suitable specialist provision to meet the identified needs of children and young people" and the "significant shortage in education provision in the local area for children and young people whose needs should be met in a specialist setting." The quality of the Local Offer was also identified as a key concern: " The local offer is not fit for purpose. The overwhelming majority of parents, children and young people who have SEN and/or disabilities, and professionals were either not aware of the local offer or had little success when they tried to use it."

12. Activity to address these key concerns has included: The Local Offer content being reviewed, amended and improved including a parent carer support group directory and a directory for children and young people's activities.

13. Promotion materials have been produced and distributed for the new improved Local Offer including pens, leaflets, posters and banners. They were used and shared at the twelve parent/carers roadshows as well as being distributed to parenting/parent carer support groups by Families in Partnership, to community venues, Children's Centres and to schools, GPs and Health professionals. Banners and posters have been put up around County Hall and Wildwood and there was a SEND Local Offer stand at the recent Social Care Celebration Event to promote the site to social workers.

14. The parent carer roadshows were jointly delivered across the county throughout November 2018 by Families in Partnership, SENDIAS and partners including the Council and Health. Nearly 200 parent/carers attended in total. In summary attendees provided a positive response about the improved SEND Local Offer, they also found it useful to understand the laws in terms of support in schools. Parent/carers reported some good practice in some schools. The majority of the questions/concerns were around lack of support in mainstream schools, incorrect information being provided by some schools, and lack of support for children with autism and those with social, emotional and mental health needs.

15. The Children with Disability register, an online form for parents/carers to fill in, is in development. A first demonstration has taken place of the online form alongside

two members of FiP. An agreement was made to add more questions to the form to capture more valuable feedback and data from families.

16. More parents and young people are accessing the new Local Offer because it contains the information about support groups/activities that they requested. Web hit data is already showing a significant increase in the number of users visiting the Local Offer pages. There were 234 returning visitors and 163 new visitors to the site during August 2018 compared to 500 returning visitors and 361 new visitors to the site during January 2019.

17. The need to develop more inclusive mainstream provision and the significant overspend expected on the High Needs budget was discussed with members of the SEND Improvement Board in December. The High Needs Implementation Group has worked together to prepare a free-school bid that takes account of previous and ongoing dynamic analysis of pressures and casework priorities. Worcestershire is seeking to create a bespoke multi-service special school, to meet the needs of children and young people from within our county, on the main school site and in different sites according to their needs. If approved, it will provide specialist Autism Spectrum Disorder (ASD) outreach services and support and co-ordinate specialist mainstream sited ASD provision. A feature of its success will be that fewer children on the autism spectrum will need to attend out of county provision or their locality to have their educational need met. The bids are currently being reviewed by the Department for Education.

## **Workstream 2 – Embedding the Graduated Response**

18. This section of the WSoA responds to the need to strengthen our mainstream provision and work with schools and other settings to build their skills, experience and inclusive capacity. Local Area Leaders know that this needs a coordinated approach across health, education and social care services in the work with schools and educational settings, so we can re-build parental confidence in their local schools.

19. This section of the Action Plan concentrates on embedding the graduated response, that includes the Action Plan Do Review (APDR) Cycle. This area for Improvement is part of the wider theme of strengthening the focus on pupil outcomes, the role and impact of support services, the use of assessment information to promote children's development, and the targeting of support and the mutual accountabilities of resource decision makers and those who use targeted SEND funding. This is the beginning of a longer journey that will lead to a necessary re-balancing of provision and resources, if there is to be a responsible and viable financial strategy. Embedding an effectively supported and monitored Graduated Response will strengthen mainstream provision and help to strengthen the mainstream sector.

20. The Key Concerns identified by Ofsted were:

- a) "The variation in the skills and commitment of some mainstream schools to provide effective support for children who have SEN and/or disabilities."
- b) "The fragile relationships with parents and carers and the lack of meaningful engagement and co-production and collaboration."



- c) "The lack of Systems to track outcomes for children and young people who have SEN and/or disabilities in special schools, post 16 provision, young people who are NEET and youth offenders effectively."
- d) "The local area does not collect information about youth offenders who have SEN and/or disabilities sufficiently well. Consequently, they cannot ensure that they are receiving support that is tailored to their needs and abilities."
- e) "The disproportionate numbers of children and young people who have SEN and/or disabilities who have been permanently excluded from school."
- f) "Academic outcomes, behaviours and attendance of children and young people who have SEN."

21. Activity to address these key concerns has been extensive including, a new improved Graduated Response documentation co-produced with parent/carer representation and education professionals. The Graduated Response document is intended to be used as a tool for schools and settings and those partner agencies working with them and to be an information source for parents, carers and young people to inform and guide in relation to the education of children and young people with Special Educational Needs and Disabilities. The revised draft guidance is now out for final consultation with a range of stakeholders.

22. A draft Post-16 Graduated Response (Ordinarily Available) document has been developed to be tabled and discussed with the Post-16 Sector. A final version is planned for March 2019. A Post 16 Summit took place on 26 October 2018. It identified a number of key issues that dovetail into other SEND workstreams.

23. A series of briefings for SENCOs took place in November 2018 to share key messages from the SEND inspection and Written Statement of Action. The SEND group manager attended the Prime Inclusion Network meeting in November to give key messages regarding the graduated response and to share implications for schools. Babcock Prime teams continue to reiterate messages during ongoing/future work with schools.

24. A first draft of SEND Key Performance measures was shared at the December Board/DfE and NHSE monitoring visit. A revised set of Performance Indicators will be presented to the February SEND Improvement Board for sign off. The first set of data will be presented in March. The school inclusion profile is now populated with data regarding individual schools including number of pupils on roll, Ofsted, category, number of pupils with SEN, attendance, movers in and movers on and SEN finance information including top-up funding by band. The inclusion of attainment data for pupils with SEN was agreed in January along with a mechanism for sharing the profile with schools to aid their planning. Performance measures for special schools have now been agreed. Babcock Prime is collating data to provide a summary of performance for Local Authority Maintained Specialist settings.

25. An Achievement Tracking Tool for SEND is being shared by Babcock Prime through intervention work and the SENCo Leadership Programme. This will be shared at the Spring Babcock Prime Inclusion Network meeting and promoted through the website.

26. The Umbrella Pathway review identified amendments to be made to the referral form in order to maximise information available to support the assessment process and thus reduce delays. This should include evidence of adjustments made by

schools as part of a graduated response. A follow up discussion to the recent SEND conference will be held with SENCoS at the inclusion network in the Spring looking at how they are implementing the Emotional Health and Wellbeing Pathway.

27. Early conversations (including a meeting in November) about the Pre-School Forum and provision for early years children with SEN have indicated that this is a complex situation requiring a multi-factorial response. Planning for the future will take account of the current direction of travel for more children to have their needs met effectively in mainstream settings. An Early Years SEND Workshop held on 4 December 2018 included colleagues from Health, Social Care, Education. FiP were invited and will be included in further meetings. A review of the process for two and a half year old Integrated checks has concluded in updated information for professionals being published on the Council website (<http://www.worcestershire.gov.uk/2yearoldreview> ).

28. An initial meeting has been held with Sean Bracken from the University of Worcestershire to discuss "SEN Training and Development Network". A follow up meeting with a wider stakeholder group is planned for late February.

29. A new Education Health Care (EHC) panel decision making moderation panel has been launched which includes school representatives at head teacher, Multi Academy Trust (MAT) chief executive and SENCo level. Decision making at the panel provides an opportunity to embed the graduated response into decision making at a statutory level and is having an impact on the number of requests for EHC Needs Assessment being agreed.

30. An action plan following the Medical Education Team (MET) review has been written focusing on four main strands of work to be completed to aid decision making: Understanding Need and Demand, The Required Model of Delivery, The Funding Model, The Referrals process with clear timescales for completion of related actions. The project is still aiming to report its findings in the Spring term.

### **Workstream 3 – Assessment and Planning**

31. This section of the WSoA responds to the concerns of many parents and carers who have lost confidence because the Council has not completed EHC assessments on time. EHC Plans are not as accessible as they should be. A culture amongst some schools and some professionals has led to under-developed provision in local schools. Parents are too often disappointed with their experience of EHC assessment, and do not experience integrated responses and planning across health, education and social care. We need to do better in linking assessment, planning and review with measureable pupil outcomes. We need to develop more work oriented pathways for our post-16 students and develop a new confidence towards independent living and work with support. Our approaches to assessment and planning provision need to demonstrate better value for money.

32. The Action Plan aims to "get it right" – in the way the Statutory SEN Process is administered; in the way we maintain and develop our relationships with parents and in the collaborative planning and delivery of assessment systems across education, social care and health. We will involve parents and carers in judging how successful our efforts are and ask them to suggest ways that their experiences can continue to be improved.

33. The Key Concerns identified by Ofsted were: the CCG's lack of strategic leadership in implementing the SEND Reforms; the fragile relationships with parents and carers and the lack of meaningful engagement and co-production and collaboration; the poor quality of EHC Plans including the limited contributions from health and social care and the processes to check and review the quality of EHC Plans; and the lack of systems to track outcomes for children and young people who have SEN and/or disabilities in special schools, post-16 provision, young people who are NEET and youth offenders effectively.

34. Activity to address these key concerns includes; identifying and initiating of SEND Champions across health, social care and education. The SEND Champions will spread the word about "getting it right" for children and young people who have SEND, advocate for the best outcomes and service quality, work in Partnership across and with all agencies/services/teams and with the young person and their family irrespective of role, profession or organisation, and promote the "voice of the child/young person" in all aspects of their work at all times.

35. Four SENCO seminars have been delivered across the county to contextualise the Ofsted Post Inspection Priorities into other SEND matters of current relevance to SENCOs. A presentation was also made to the Chadsgrove and Babcock SENCO Forums.

36. A training programme from November to March is in place for SEND statutory service to support delivery. The first Workshop was really well received by staff. Early planning is underway to enhance a new Social Work Induction in relation to Education: SEND and Virtual School.

37. Head Teacher and SENCO Moderating Group is in place and meeting fortnightly to advise the Local Authority on EHC assessment requests. Monthly case planning and monitoring meetings between Youth Justice Service Education Lead officer and the lead SEN Manager are taking place. The Complex Health Care Needs Panel is in place and includes Health, Education and Social Care.

38. First stage changes are in place where EHC assessment decisions are moderated through a fortnightly panel of Head Teachers and SENCOs led by an SEN Manager. Early signs are that this new rigour is impacting on numbers of assessment, where fewer are good. The SEN Team and Children With Disabilities (CWD) team have met to agree and understand the outcomes of each other's teams. Forms are being revised based on these joint understandings. New arrangements for high level case discussion are in place with commissioners and Designated Clinical Officer and Group Manager SEND. New systems for the provision of health funding to schools are agreed in principle.

#### **Workstream 4 – Joint Commissioning and Leadership**

39. This section of the WSoA responds to the concerns that the Local Area Leadership needs to improve. The Action Plan was jointly developed between the Council and the CCG as well as school leaders and parent representatives. This collaborative process has led to an action plan whose success depends on collaborative working and shared commitment to shared priorities.

40. Providing consistent and robust leadership means that we need to understand the needs of our population of children and young adults with SEND, and to listen carefully to the views of their parents. We know that we cannot always deliver what everyone wants, but we need to be clearer about our shared priorities for SEND. These are reflected throughout the action plan, with our leadership focus reflected in this Workstream. The objective for this Workstream is to establish effective partnerships and achieve a joint understanding of need, our shared responsibilities and to know how we will judge the impact of the way in which we lead, monitor, review and invest. We need to do more in ensuring we make a difference. We have strengthened communication and consistency across our various Boards and Partnerships, and have used our respective roles as Local Area Leaders to drive the development of this Plan for Improvement.

41. The Key Concerns identified by Ofsted were the CCG's lack of strategic leadership; the poor quality of action plan for the SEND Strategy; and the lack of joint commissioning arrangements.

42. Activity to address these key concerns includes a CCG Board Lay member (Trish Haines) being identified as SEND Champion. The CCG Clinical Executive approved the WSoA (24 October) and receive six monthly updates. Workstream Lead meetings are held on a monthly basis with good attendance and include challenge and support sessions from the Project Sponsor. Highlight reports are presented to the CFC Leadership Team on a monthly basis including activity progress, impact, next steps, risks and issues. SEND Implementation update reports have been taken to the Health and Wellbeing Board in November 2018, and the Corporate Business Board in December 2018. SEND Self Evaluation is scheduled to start early March 2019.

43. The Integrated Commissioning Executive Officers Group approved the Transformation Plan for CYP Mental Health and Emotional Wellbeing on 12 November, which cross-references the WSoA. A presentation was shared with ICEOG regarding Joint Commissioning roles and responsibility. A first draft of financial reporting has been completed with further work planned to establish the overall picture. A Joint Commissioning Strategy Action Plan has been drafted.

44. The percentage of looked after children with up to date health assessment continues to improve and has increased (from 59% in May 2018 to 71% in October 2018). Ofsted remarked in the last monitoring visit "Completion of children's health assessments has improved. Most children's health assessments are up to date. This means that needs are identified and are being met through appropriate planning and action. Following a recent review with health partners, assessment processes have improved and additional resources are in place." (Ofsted monitoring visit letter 2 and 3 October 2018).

45. Two co-design events for Overnight Short Breaks have been jointly led by FiP and Council staff. 74 attendees including 28 parent carers and professionals, providers or Council staff. There were lots of ideas that collectively would help either to reduce/delay demand, reduce the cost of overnights or bring in extra funding. Collectively, and over a period of time, we hope this would allow us to make the savings needed but the ideas obviously need exploring still. Most common feedback points were the importance of short breaks, the variety needed to suit the different needs of families, better information and advice is needed to help families to know

what's out there and for professionals to know what to signpost to and particularly from Saturday more support is needed to help families to help themselves (e.g. find DP workers, groups and activities suitable etc.). Monthly Steering Group meetings are held including parent/carer representatives. Updates are shared via a newsletter and the Local Offer.

46. Education and health commissioners have reviewed the issue of cost of equipment needed for use by children in schools and agreed that equipment prescribed by occupational therapists (mostly special seating) should be funded as part of education provision, with equipment prescribed by physiotherapists for individual children continuing to be funded by health. This will be taken forward as part of the wider review of higher needs top-up funding within education, by looking at the concept of threshold of costs that should be borne by schools as part of their responsibility to make reasonable adjustments."

## **Workstream 5 – Workforce and Engagement**

47. This section of the WSoA deals with the engagement and participation of stakeholders in improving the planning and delivery of services for children and young people with SEND. This includes the issue of culture change and training so that a more inclusive and skilled workforce develops – both in schools and settings, and in those services provided through the Local Authority and the CCG's own employees and those provided through the wide range of jointly and separately commissioned services.

48. A framework of mutual accountability between partners was agreed as needed. This is being driven by a Local Area framework of SEND Key Performance Indicators (KPIs). Embedding a mutual accountability approach will require the development of enhanced understandings and some practice changes across the wider workforce, and structured systems to ensure stakeholder engagement.

49. The Key Concerns identified by Ofsted that this workstream is targeting are, the fragile relationships with parents and carers and the lack of meaningful engagement and co-production and collaboration; and the variation in the skills and commitment of some mainstream schools to provide effective support for children who have SEN and/or disabilities.

50. Activity in this workstream is dependent upon activity and progress within the other workstreams, engagement and workforce training span the breadth of the WSoA. Key activity that has progress includes a Co-production workshop in October 2018, facilitated by Genuine Partnerships (Rotherham). Representatives across the Local Area including Council officers, Health and Education were present alongside parent/carers from Families in Partnership (FIP). The session focused on what co-production is and how we understand this – aiding a Worcestershire definition. Families in Partnership are updating the Worcestershire Co-Production Charter to include shared definitions agreed across all agencies and with parents/carers, children & young people around 'Co-Production', 'Participation', 'Consultation', and 'Engagement' to ensure that expectations of our work are clear and feasible. This will likely change objectives of the plan appropriate to the work package to take place.

51. A Learning Needs Analysis has started, including consultation with workstream leads on defining the workforce. Frontline staff are to identify suitable training

opportunities as per business as usual offer. Interdependencies across all Workstreams for Workforce Development needs has produced some anticipated learning opportunities. These need to be understood in terms of content and timing (e.g. when other areas of work are published/developed to reference and include in training).

52. A Local Area Communication Plan has been drafted across partners, Workstream Leads work directly with the Communication Leads to promote activity and progress across the Improvement Plan. The communication objectives are to ensure all Council Children, Families and Communities staff, members, workstream leads and CCG staff are aware of the key dates and actions for the SEND Improvement Programme, are fully informed and understand the benefits and implications of the SEND Improvement Programme, and are informed with timely communications about how the proposed changes could affect them. The Communication Plan documents, how all external stakeholders are kept fully informed and made aware of the implications of the proposals on current provision; promote and share the journey and actions being taken to improve services for service users; work closely with Families in Partnership (FIP) and SENDIASS to shape the provision going forward and to communicate through both organisations to parents, carers and children/young people; provide families, carers, young people and children with informed and timely communications about how the proposals could affect them and also benefit them; and ensure credibility and organisational reputation is at the very least sustained during the improvement programme. Recent media coverage has focused on the 2017 position, and highlights the need for regular engagement, participation and co-production with parent/carers within all areas of the Improvement Plan.

### **Department of Education and NHS England Monitoring**

53. Advisers hold quarterly joint monitoring visits to discuss progress on delivering the WSoA. These monitoring visits have taken place in June 2018 (Qtr1), September 2018 (Qtr2) and December (Qtr3). Where possible they have coincided with the SEND Improvement Board meeting.

54. In September the advisors concluded that "Some key pieces of work have been begun which should impact positively on outcomes for children and young people in Worcestershire with the work around engagement and co-production being very encouraging. It is evident that the senior leadership team have placed significant emphasis on the SEND agenda within health and the local authority with both a review of capability and capacity being undertaken within the local authority and a commissioner employed by the CCG, managed by LA to influence the agenda. The CCG governing body has identified the requirement for strategic oversight, challenge and assurance with the agenda now forming a key part of Governing Body meetings. There is a significant amount of work to do with the system initially focusing on the building blocks required to ensure that the agenda and actions are prioritised, capability and capacity is realised and with clear co-production and engagement from stakeholders, carers, parents and young people. The risk moving forward is ensuring that this important agenda remains a system strategic priority especially during the winter months when pressures of a different nature can challenge health and system partners. In addition the LA needs to be mindful of sustainability at this stage with the planned departure of the Interim Assistant Director for Education and Skills and the

Interim SEND Group Manager early next year." Positive verbal feedback was provided from the advisors at the December SEND Improvement Board.

55. The inspection handbook states that "the local authority (where it is not the principal authority) and every other person or body who has cooperated with the principal authority" must publish the WSoA on its website. All partner websites have commentary regarding the Local Area SEND Inspection and the link to the published WSoA.

56. In line with the SEND Inspection Framework, DfE and NHSE officials will submit advice to the Minister of State for Children and Families on the progress made by the local area within 1 year of the publication of the report (August 2019).

<https://www.gov.uk/government/publications/local-area-send-inspection-guidance-for-inspectors> ).

### **Local Area Re-visit**

57. Supplementary guidance was published by Ofsted in November 2018 regarding '[Re-visits to local areas issued with a written statement of action](#)'. Ofsted and the Care Quality Commission (CQC) do not carry out monitoring inspections of a local area. The sole purpose of the re-visit is to determine whether the local area has made sufficient progress in addressing the areas of significant weakness detailed in the WSoA. Ofsted and CQC re-visit local areas under section 20(1) of the Children Act 2004. Ofsted and CQC will usually re-visit a local area within 18 months of the WSoA being declared fit for purpose. Worcestershire WSoA was declared fit for purpose on 24 August 2018, therefore a re-visit is likely to take place before February 2020.

58. Each re-visit will focus on the weaknesses that caused us to require the WSoA. These are detailed in the WSoA. However, if any other serious weaknesses are identified during the re-visit, we will refer to these in the re-visit letter. This information may be used when determining the timing of the local area's next review under any new Local Authority SEND framework. Any new significant weaknesses identified will not lead to a requirement for a new WSoA being produced because the re-visit is not a new inspection.

### **Legal, Financial and HR Implications**

59. Financial pressures continue in relation the High Needs Budget. This budget was overspent by £3.4m in 2017/18 - against a total of £39m net High Needs (HN) Block Dedicated Schools Grant (DSG). This is entirely attributable to placement costs in the special school, independent non-maintained and college sectors. Given the current placement and pupil need pressures this trend will continue in all these sectors. The budget in 2018/19 is currently forecast to overspend by £7.8m. A significant risk remains that the overspend position will increase further due to further claims for funding.

60. The only capital funding the Local Authority is due to receive specifically for specialist education provision is the Special Provision Capital Funding at £1.8m per annum over four years (2018 – 2021). The expected expenditure is forecast at £4.2m over the 2018 – 2020 period, as reported to the Corporate Business Board in June 2018 as part of the School Organisation capital report.

61. The transport team forecast a growth to around 1,600 SEND transport pupils in 2018/19 – an increase of 2.04% - with resulting 2018/19 budget pressure of £598k. If the growth in numbers in 2019/20 holds at a similar level, SEND transport pupil numbers in 2019/20 would be 1,632.

62. All of the above pressures were reported as part of Corporate Strategy Planning including a request for additional staffing resources required to secure statutory compliance, improve performance, and reduce dependency on special schools, both in and out of county. The resource identified will ensure delivery of the SEND Improvement Plan (Written Statement of Action)/SEND Strategy to improve outcomes for children and young people with SEND. £675,000 was agreed to fund additional staffing. The SEND team have been re-structured and additional recruitment has started but there have been difficulties to find suitable applicants, HR are supporting to address these barriers.

## **Risk Implications**

63. Workstream leads and activity leads are responsible for identifying and reporting risks and issues in relation to delivery and consequences. The Project Management Team capture these and work with the leads to identify and implement mitigation strategies.

64. One of the key risks that needs further management is that parent/carers are reporting that they are not seeing a positive impact from the SEND Improvement activity yet (anecdotal feedback from FiP November 2018). Although significant activity and progress is being made and acknowledged by the DfE/NHS England Advisors, the Local Area recognises that the impact of the changes may not been seen for some time due to the complexity and extent of cultural changes required and the ongoing communication and training for SEND professionals taking time to embed and reach all education, health and social care professionals.

65. In spite of a successful restructure and focussed recruitment campaign, there remain vacancies in the structure for the SEND service and very large caseloads for SEND caseworkers. Capacity for improvement work is inhibited/slower than necessary. HR are supporting to remove barriers to recruitment.

66. Workstreams are expanding and creating more areas of work, this shows the depth of work but Workstream Leads and the Project Sponsor need to consider capacity and the scope of the programme. This will be considered and managed as the Self-Evaluation workshop in March 2019.

67. During development of the SEND action plan, budget for Learning and Development activities was captured as a risk to the implementation of the Improvement Plan. This will require investment from Health and Education (including procurement & development costs of learning interventions and staff release time). Learning and Development requirements are being captured as activity progresses but there is not a clear full requirement as yet to be costed and/or procured.

## **Privacy and Public Health Impact Assessments**



68. A Privacy and Public Health Impact screening and a Health Impact screening have been completed in respect of the activity in the Written Statement of Action. The screenings did not identify any potential considerations requiring further consideration during implementation.

## **Equality and Diversity Implications**

69. The Council must, during planning, decision-making and implementation, exercise a proportionate level of due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010
- Advance equality of opportunity between people who share a protected characteristic and those who do not
- Foster good relations between people who share a protected characteristic and those who do not.

70. A full Equality Impact Assessment has been carried out in respect of the recommendations. This identified potential positive impact for children and young people with disabilities. The potential positive impact relates to improvements in access to information and support available, increased engagement and co-production, access to mainstream education (where appropriate). The recommended course of action can be justified because the activity in the Improvement plan will improve outcomes for all children and young people with SEND. The full EIA is attached at Appendix 2.

## **Supporting Information (available via e-link only)**

- Appendix 1 – Privacy Impact Assessment
- Appendix 2 – Equality Impact Assessment

## **Contact Points**

### County Council Contact Points

County Council: 01905 763763

### Specific Contact Points for this report

Nick Wilson, Interim Assistant Director – Education and Skills

Tel: 01905 846328

Email: [nwilson2@worcestershire.gov.uk](mailto:nwilson2@worcestershire.gov.uk)

## **Background Papers**

In the opinion of the proper officer (in this case the Director of Children, Families and Communities) the following are the background papers relating to the subject matter of this report:

OFSTED/CQC Joint Local Area SEND Inspection in Worcestershire

SEND Improvement Plan/Written Statement of Action

Agenda and background papers for the meeting of the Cabinet held on 12 July 2018

Agenda papers for the meeting of the Children and Families Overview and Scrutiny Panel held on 8 August 2018

**CABINET**  
**14 MARCH 2018****RESOURCES REPORT – REVENUE AND CAPITAL BUDGET  
MONITORING TO PERIOD 10 (MONTH ENDING 31 JANUARY  
2019)**

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**Relevant Cabinet Member**

Mr S E Geraghty

**Relevant Officer**

Chief Financial Officer

**Recommendations**

1. **The Cabinet Member with Responsibility for Finance (who is also the Leader of the Council) recommends that Cabinet:**
  - (a) **endorses his conclusions concerning revenue budget monitoring up to 31 January 2019;**
  - (b) **notes the current progress regarding savings plans and additional management actions to reduce expenditure;**
  - (c) **notes that the Council is forecasting an overspend of £2.9 million after management action, but risks within this forecast remain;**
  - (d) **endorses his conclusions concerning capital budget monitoring up to 31 January 2019;**
  - (e) **endorses his conclusions regarding the treasury management update report;**
  - (f) **notes that the Council has responded to the Government's consultations on the Fair Funding Review and Business Rates Retention Reform with details at paragraphs 81 to 85;**
  - (g) **notes 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**
  - (h) **recommends Council approves 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.**

**Introduction**

2. This report details the 2018/19 outturn forecast for the Council's £324 million net revenue budget as at Period 10 31 January 2019 and progress to date on the savings and reforms programme.

3. The report identifies that the Council is forecasting an overspend of £2.9 million after management action, but there remains a risk that this could rise to £6.2 million at the end of the financial year due to the underlying cost pressures around Children's Social Care Placements and Dedicated Schools Grant High Needs Block.

4. Cabinet is asked in this report to endorse the conclusions on the treasury management activity during the year, specifically concerning long-term borrowing and investments.

5. A recommendation is also being made for Council to approve use of a new grant from Central Government.

### **Summary Revenue Budget Monitoring 2018/19 Forecast at Period 10 (31 January 2019)**

6. The County Council has a net budget of £324 million that was set by Full Council in February 2018.

7. This report covers the forecast financial position for the budget at the end of Period 10 (31 January 2019).

8. The overall outturn forecast, as set out in Table 1 below, is for a net overspend of £6.2 million at the end of 2018/19. This includes a net £10.9 million forecast overspend on services. The majority of the services forecast overspend arises on Adult Services which totals £13 million, with a £1.7 million overspend reported on Children, Families and Communities services.

9. Whilst the net overspend forecast has fallen by £0.2 million since last month, there have been significant underlying changes in the forecast. These include a £0.4 million increase in the overspend forecast for Children's placements offset partly by a number of actions, and an underlying £1.4 million increase in the overspend for Dedicated Schools Grand High Needs Block offset by receipt of a £1.2 million grant income.

10. The causes of forecast variations are summarised in the following section at paragraphs 20 to 41, and variances by individual service area greater than £0.25 million are set out in more detail in Appendix 2.

11. Part of the projected overspend relates to non-delivery of some of the 2018/19 saving targets set by Council in February 2018, and the January 2019 Cabinet Budget Report included revisions to the programme and consequential updates to the Medium Term Financial Plan.

12. At the same time as facing in-year pressures the Council has also sought to deliver its original savings plan and it is forecast that £25.9 million will be achieved this year, with a further £1.9 million classed as amber and £1.7 million as red. More detail is set out in the following sections and in detail at paragraphs 42 to 46, with details also set out of the RAG status for each proposal at Appendices 6 and 7.

13. The service overspend forecast (£10.9 million) can be partly offset by a £4.7 million underspend for finance/corporate items, this is projected based on:

- A one off saving of £3.6 million on Financing Transactions from deferring the need to take planned external borrowing

- A one off saving of £0.5 million following a risk review of fire insurance liabilities and reducing carrying balance in the insurance earmarked reserve
- A one off saving of £0.625 million by withholding expenditure from the £0.750 million corporate contingency.

**Table 1: Summary Outturn Forecast as at Period 10 2018/19**

P10 - 2018/19 SLT Revenue Budget Monitoring Forecast by Service												
Service	2018/19 Net Budget	Gross Forecast	Less Budgeted Grants	Less Budgeted Reserve Mvts	Variance Before One-Offs	Less - Capitalisation	Less - Use of Grants	Transfer to / (from) Reserves	Variance After Adjustments	Variance After Adjs	Variance Last Period	Change Since Last Period
	£000	£000	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Dedicated Schools Grant (DSG)	0	9,015	0	0	9,015	0	(1,232)	(7,783)	0	-	0	0
Children, Families and Communities (Excl DSG)	96,361	115,656	(15,071)	(1,623)	2,601	(449)	(400)	(62)	1,690	1.8%	1,615	75
Economy & Infrastructure	63,544	73,298	(6,102)	(5,476)	(1,824)	(1,560)	0	(52)	(3,436)	-5.4%	(3,469)	33
Commercial and Commissioning	8,049	8,304	(189)	(188)	(122)	0	0	(228)	(350)	-4.3%	0	(350)
Chief Executive	531	531	0	0	0	0	0	0	0	0.0%	0	0
Adult Services	125,396	174,001	(30,420)	0	18,185	(1,290)	(3,875)	0	13,020	10.4%	13,020	0
Public Health	(831)	27,606	(28,437)	0	0	0	0	0	0	0.0%	0	0
<b>Total : Services (Excl DSG)</b>	<b>293,050</b>	<b>399,396</b>	<b>(80,219)</b>	<b>(7,287)</b>	<b>18,840</b>	<b>(3,299)</b>	<b>(4,275)</b>	<b>(342)</b>	<b>10,924</b>	<b>3.7%</b>	<b>11,166</b>	<b>(242)</b>
Finance / Corporate Items	31,142	22,827	(2,636)	0	(10,951)	(155)	0	6,381	(4,725)	-15.2%	(4,725)	0
Funding - Transfer From Reserves	0	0	0	0	0	0	0	0	0	-	0	0
<b>Total (Excl DSG)</b>	<b>324,192</b>	<b>422,223</b>	<b>(82,855)</b>	<b>(7,287)</b>	<b>7,889</b>	<b>(3,454)</b>	<b>(4,275)</b>	<b>6,039</b>	<b>6,199</b>	<b>1.9%</b>	<b>6,441</b>	<b>(242)</b>
<b>Total - Funding</b>	<b>(324,192)</b>	<b>(324,192)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>
<b>Grand Total - Services and Funding (Excl DSG)</b>	<b>(0)</b>	<b>98,031</b>	<b>(82,855)</b>	<b>(7,287)</b>	<b>7,889</b>	<b>(3,454)</b>	<b>(4,275)</b>	<b>6,039</b>	<b>6,199</b>		<b>6,441</b>	<b>(242)</b>
Dedicated Schools Grant (DSG)	0	9,015	0	0	9,015	0	(1,232)	(7,783)	0		0	0
<b>Total</b>	<b>(0)</b>	<b>107,046</b>	<b>(82,855)</b>	<b>(7,287)</b>	<b>16,904</b>	<b>(3,454)</b>	<b>(5,507)</b>	<b>(1,744)</b>	<b>6,199</b>	<b>1.9%</b>	<b>6,441</b>	<b>(242)</b>

14. To mitigate the forecast overspend, a range of alternative actions and savings have been implemented during the year, and these continue to be progressed:

- Review specific grant income to maximise where this money can be used to fund existing base budget expenditure whilst remaining within the grant conditions
- Review Better Care Fund and Improved Better Care Fund agreements and allocations between the County Council and Health
- Stop, or defer for a period, discretionary expenditure/projects; including tightening controls over spending such as removal of procurement cards and reducing the number of staff who are approved to commit monies
- Increase Fees and Charges mid-year where we can
- Implement a vacancy management process to delay recruitment whilst we review non-critical or change dependent areas or other staffing measures. This will seek where appropriate to remove vacant posts permanently to give rise to recurring savings.

15. In September 2018, senior leadership identified £12.7 million of additional reform proposals that are being worked through and progressively included in the forecast when appropriate due diligence has been completed.

16. If fully implemented these could, as shown in Table 2, reduce the services overspend forecast to £2.6 million. This is a best-case scenario and assumes there are no further spending pressures arising over the remainder of the financial year.

**Table 2: Period 10 Forecast Overspend before and after management savings**

	£m
<b>Services Overspend Forecast Period 10 before actions</b>	<b>15.8</b>
<b>Less New Savings Included at Period 10</b>	<b>(4.9)</b>
<b>Sub Total</b>	<b>10.9</b>
<b>Less New 18/19 Savings not in Period 10</b>	<b>(3.6)</b>
<b>Sub Total Services Overspend</b>	<b>7.3</b>
<b>Less Corporate Savings</b>	<b>(4.7)</b>
<b>Net Overspend Forecast</b>	<b>2.6</b>

17. It must be recognised that despite extensive and continued focus on driving down expenditure, this remains a difficult task for the Council to achieve in the timeframe needed and it is more probable that the forecast overspend will be around £2.9 million by the end of the financial year.

18. Any remaining overspend for 2018/19 could be funded by drawing down resources from Earmarked Reserves. As our external auditors (Grant Thornton) identified in their value for money opinion the Council must look closely at its use of reserves to secure financial sustainability. A factor that is being raised on a national level. As such the focus is to identify savings that will reduce any need to draw further from these reserves, and on recurring proposals as opposed to one-off savings.

19. There are a number of significant cost pressures arising across services at Period 10. Whilst these have been provided to Cabinet previously this year, their updated position is outlined below in more detail.

**Children, Families and Communities** – Forecast £1.7 million overspend

20. The Directorate is forecast to overspend its £96.4 million budget by £1.7 million at the end of the financial year. This is a net increase of £0.4 million since last month.

21. The forecast overspend includes £2.4 million relating to children's social care placements, a £0.4 million increase since last month. The current forecast is based on an estimated new demand and the assumption that savings can be achieved. A number of actions are being taken forward to bring the projected overspend down, including a panel review of top up payments and the development of the edge of care service. However, it should be noted that there is a risk that the overspend could increase.

22. The overspend for Home to School Transport is forecast to be £0.4 million, a £0.1 million reduction since last month.

23. The pressure on the Dedicated Schools Grant (DSG) continues and is currently projected to overspend by £9.1 million, an increase of £1.4 million since last month. A significant risk remains that the overspend position will increase further due to further claims for funding from special schools and mainstream schools. Special schools are completing data returns which are currently being reviewed by the commissioning and SEND teams but there is a risk that this will result in further funding being needed.

24. At the start of the year there was £5.1 million held in DSG reserves, although this was not all earmarked for high needs activity.

25. On 17 December 2018 the Department for Education (DfE) issued an update to Local Authorities (LAs) for their DSG allocations for 2018/19. This included confirmation of the County Council's share of a national £250 million one-off allocation from the DfE over 2018/19 and 2019/20 into the High Needs DSG in order to support all local authorities in managing their High Needs budget pressures. For Worcestershire this will be £1.232 million in 2018/19 and will support the projected overspend, with a similar amount in 2019/20.

26. The Worcestershire Schools Forum is establishing a DSG High Needs Recovery Task and Finish Group to consider how the expenditure on High Needs provision can be contained within the High Needs DSG allocation.

### **Adult Services** – Forecast £13 million overspend

27. The Adult Social Care budget is forecast to overspend its £125.4 million net budget by £13.0 million with no change in this forecast for the last three months. This overspend has arisen due to a combination of:

- Accumulated transformation targets which are no longer felt to be achievable in 2018/19. The base budget for the service included total savings to be achieved in 2018/19 of £14.9 million, including savings carried forward from 2017/18, and an additional adjustment of £4.2 million to reflect opportunities to maximise the benefit of specific grant income (e.g. Better Care Fund). Following a detailed review, £3.2 million of this programme has been identified as undeliverable with a further £5.1 million re-profiled to later years. The current forecast now reflects anticipated delivery of £6.1 million savings in 2018/19, thus placing a significant pressure on 2018/19.
- The Directorate used reserves and one-off grants in previous years to mitigate overspends and demand pressures, however all of these were fully utilised in 2017/18.

28. The causes of variations by specific services arising from changes in saving profiles and demand pressures are as follows:

- Key pressure in Learning Disabilities Residential and Nursing which equates to a forecast £4.8 million overspend. This is mainly due to a delay in achieving savings targets during 2018/19, staffing pressures and changes in client numbers
- Learning Disabilities Supported Living is forecast to overspend by £2.0 million, which is due to client pressures
- Older People Residential and Nursing overspend of £1.2 million due to increased client number.
- Older People Home Care overspend of £0.6 million, this is due to non-achievement of savings
- Mental Health Residential, Nursing and Supported Living are forecast to overspend by £1 million due to an increase in client numbers.

29. The above pressures have partly been mitigated in part by:

- Support Services and the Integrated Commissioning Unit are forecasting a combined underspend of £2.5 million due to a number of vacancies that are currently being held within the teams and the application of grants.

**Public Health** – *Forecast to break even*

30. The Public Health Service manages a c.£30 million specific grant and a core County Council budget of £0.1 million and is forecast to break even at this stage.

31. During 2018/19 the service has continued to review existing contracts in order to maximise effective use of the Public Health Ring Fenced Grant with savings of £1.04 million forecast to be achieved in line with the budget. This has allowed the service to increase investment in grant eligible services within other Council functions including Trading Standards and Family Support (Children's). In total around £5.6 million of the Public Health specific grant is being invested directly in eligible functions that sit in other services of the Council, in addition to the wider benefit to the Council through the ongoing commissioning of preventative public health services.

32. The Council currently holds earmarked reserves for Public Health totalling £5.76 million for which there are plans for a significant reduction over the next 3 years to manage the overall reduction in the grant payment smoothly.

**Economy and Infrastructure** – *Forecast £3.4 million underspend as a result of management action*

33. It is forecast that at the end of the financial year 2018/19 the Economy and Infrastructure Directorate will underspend its £63.5 million budget by £3.4 million.

34. This reduction in forecast spend follows a review of the costs within Waste Services which is now forecast to underspend this year by c.£1 million. As at the end of December there were around £2.7 million outstanding financial contractual accruals. Draft reconciliation work forecasts that £0.8 million of these accruals can be released and £1.9 million needs to be retained for forecasted potential contractual commitments. The balance of savings of £0.2 million is related to net reduced tonnage throughput especially in relation to the Energy from Waste plant.

35. There has been significant management action undertaken to reduce the Period 4 forecast overspend of £0.5 million. This is mainly as a result of further capitalisation of highways works and associated staff time.

**Commercial and Commissioning** – *Forecast £0.4 million underspend*

36. It is forecast that at the end of the financial year 2018/19 the Commercial and Change (COaCH) Directorate will underspend by £0.4 million. The forecast for the previous month was a break-even position compared with its £8 million budget.



37. The budget for Property Services is forecast to overspend by £0.4 million, with £0.15 million relating to savings targets not forecast to be achieved, and £0.35 million on property maintenance costs, which has been offset by a £0.1 million reduction relating to project feasibility costs.

38. The budget for Systems and Customer Access was reduced by £0.25 million following the decision to commence the insourcing of the DxC contract. This activity was delayed to take account of more realistic and achievable timescales, thereby putting the achievement of this budget reduction at risk of non-delivery this financial year. The service has now been insourced and the savings will be realised in full next year.

39. A review of Human Resources financial commitments has resulted in a £0.1 million underspend forecast for the Apprenticeship Levy. This and several other management actions including reviewing cost for the Research & Communications team and commercial services teams has contributed to the overall service forecast underspend.

#### **Finance/Corporate Items** – Forecast £4.7 million underspend

40. The Financial Services budget includes corporate items such as Debt Interest.

The £31.5 million budget for Finance/Corporate Items is forecast to underspend in total by £4.7 million as follows:-

- £3.6 million underspend - Financing Transactions Borrowing Costs. An initial forecast for the deferment of borrowing on the assumption that cash balances are maintained across the County Council and that there is no forecast for rises in borrowing interest rates
- £0.5 million underspend – Insurance. Following a financial risk review, the Fire Insurance Earmarked Reserve can be reduced by £0.5 million to around £1 million. The Council's maximum financial exposure in any one year under existing insurance policies is £0.5 million
- £0.625 million underspend - Corporate Contingency. A £750k corporate contingency is maintained for 2018/19, against which spending allocations of £125k have been approved. The balance is uncommitted and therefore it is proposed that this contingency will not be used for new spending but will be reported as an underspend to address the current forecast overspend elsewhere across the Council's services.

41. Details of variations for each Directorate are included in Appendices 1 to 4.

#### **Savings Update**

42. The transformation savings target for 2018/19 is £37.4 million. This comprises £31.6 million that was originally planned for 2018/19 and £5.8 million of projects carried forward from previous financial years.

43. The November 2018 Cabinet Report DAS 'Forward Look at Adult Services' ( [Link](#) ) refreshed the savings that are achievable for this and future years.

44. Compared with the revised target, Table 3 below shows that £18.2 million has been achieved, £7.7 million more is forecast to be achieved before the end of the financial year, and around £3.6 million is categorised as being at Amber or Red risk. Any remaining unachievable savings targets have been addressed as part of the Medium Term Financial Plan update and the December 2018 Cabinet budget report.

45. Given the Council's limited usable and unspent Earmarked Reserves, discussed later in this report, this forecast position with regard to savings being supplemented by use of reserves is unsustainable. This has been addressed going forward as part of the agreed 2019/20 Budget.

The following table shows the current savings programme summary.

**Table 3: Summary RAG Assessment at Period 10 of the 2018/19 Savings**

	18/19	18/19	18/19	18/19	18/19
Directorate	Total £000	Delivered £000	On Target £000	Amber £000	Red £000
DAS	6,995	5,405	910	485	195
PH	1,040	0	0	1,040	0
CFC	1,222	910	58	4	250
E&I	8,600	600	6,700	300	1,000
COACH	1,100	700	50	75	275
Finance	1,575	1,575	0	0	0
Accounting Adj	9,000	9,000	0	0	0
<b>Total</b>	<b>29,532</b>	<b>18,190</b>	<b>7,718</b>	<b>1,904</b>	<b>1,720</b>
% of Revised Target	100.0%	61.6%	26.1%	6.4%	5.8%

2,047 Savings not achievable in year

**31,579** Budgeted Savings

5,853 Savings not achieved from previous years

46. The full programme with RAG status for each project is included at Appendices 6 and 7. In addition, Appendix 8 sets out the delivery of the additional savings targets approved by Cabinet in September 2018 to address the forecast overspend at Period 4. At this stage £9.1 million (72%) of the £12.7 million target has been delivered.

### Corporate Income – Council Tax, Business Rates, Revenue Support Grant

47. The Council's overall budget is funded by a number of corporate income streams, the forecast being shown in Table 4. Corporate income is forecast to achieve the budget and it not expected to change during the year.

**Table 4: Summary of outturn forecast for Corporate Income 2018/19**

<b>P10 - 2018/19 SLT Revenue Budget Monitoring Forecast by Service</b>				
<b>Service</b>	<b>2018/19 Net Budget</b>	<b>Gross Forecast</b>	<b>Variance After Adjustments</b>	<b>Variance After Adjs</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
Revenue Support Grant	(9,436)	(9,436)	0	0.0%
Business Rates Retention Scheme	(61,136)	(61,136)	0	0.0%
Council Tax Income	(251,536)	(251,536)	0	0.0%
Collection Fund (Surplus) / Deficit	(2,084)	(2,084)	0	0.0%
<b>Total - Funding</b>	<b>(324,192)</b>	<b>(324,192)</b>	<b>0</b>	<b>0.0%</b>

### General Balances

48. The County Council's General Balances are a contingency sum available to pay for unforeseen or exceptional circumstances. External auditors often refer to the level of general balances when considering an organisation's financial health.

49. Worcestershire's General Fund Balance stand at £12.2 million, or 3.8% of net expenditure. There is no defined minimum balance. It is the responsibility of the Section 151 Officer to advise the Council of that level based on an assessment of risk. This was reported in February 2019 as part of the Cabinet 2019/20 Budget and Medium Term Financial Plan Update 2019-22 report ([Link](#)).

50. Given the County Council's drawdown of Earmarked Reserves in recent financial years it is important to ensure that General Fund Balances are maintained at least at the current level to support the County Council's financial resilience as it continues to balance the need to deliver services within a challenging medium-term cash limit. This was identified by our external auditors in the 2017/18 statutory accounts opinion, and is an issue the Council is keen to address.

### Earmarked Reserves

51. All earmarked reserves are retained either under the delegated authority given to Chief Officers in the Financial Regulations or by Cabinet/Cabinet Member approval, this is subject to recommendations jointly by a Chief Officer in agreement with the Chief Financial Officer for carry forward each year.

52. Given that the County Council is forecasting an overspend, this must be a first call on Earmarked Reserves once all options to reduce expenditure during 2018/19 have been exhausted.

53. The February 2019 Cabinet 2019/20 Budget and Medium Term Financial Plan Update 2019-22 report included a forecast of Earmarked Reserves which was based on the best knowledge available at Period 8.

54. The latest forecast at Period 10 indicates that there will need to be a withdrawal from Earmarked Reserves to fund the spending pressures.

55. It is important to recognise that some of the Earmarked Reserves are already committed as a result of the forecast overspend, as such the money has already been spent.

### Summary Capital Budget Monitoring 2018/19 Forecast at Period 10 (31 January 2019)

56. The County Council approved a capital programme of £398 million in February 2019, with a £140 million budget for 2018/19.

57. Capital expenditure outturn forecast for 2018/19 at Period 10 is set out in Table 5 below.

**Table 5: Capital Summary Outturn Forecast as at Period 10 2018/19**

		P10 Year-end			
	Budget 2018/19	Forecast 2018/19	Variance 2018/19	Variance 2018/19	
	£000	£000	£000	%	
<b>Corporate Plan Area</b>					
CHILDREN AND FAMILIES	31,160	19,333	-11,827	-38%	
OPEN FOR BUSINESS	46,684	48,220	1,536	3%	
THE ENVIRONMENT	48,939	47,844	-1,095	-2%	
HEALTH & WELL-BEING	8,306	4,211	-4,095	-49%	
EFFICIENCY & TRANSFORMATION	5,043	2,814	-2,229	-44%	
<b>TOTAL</b>	<b>140,132</b>	<b>122,422</b>	<b>-17,710</b>	<b>-13%</b>	

58. The forecast expenditure outturn as at Period 10 includes actual expenditure to 31 January 2019 plus an estimate of what is remaining to be spent before the end of the year.

59. Within the Children, Families and Communities Directorate there have been some movements and updates in forecast expenditure on projects including:

- Nunnery Wood High School Expansion – this project is not progressing as quickly as expected so the majority of the expenditure originally forecast in 2018/19 budgeted is likely to be carried forward to 2019/20
- Holyoaks Field First School – delays including the release of land by the developer has meant that this project has not progressed as originally expected so it is likely that £2.7 million project expenditure will be carried forward to 2019/20.

60. Projects within the Open for Business and The Environment areas that are showing higher variances against approved budget include:

- Southern Link Dualing Phase 3 and Phase 4 – Both phases of this capital scheme are progressing ahead of the financial estimate for 2018/19 whilst remaining within the overall budget.

61. The Health and Wellbeing category of the Capital Programme has three projects that are showing a higher variance:

- Capital Investment in Community Capacity/Specialised Housing – This project has contributed to building supported living accommodation but during 2018/19 has encountered a number of issues including lack of available land. As a result it is expected that the project's budget will be carried forward to 2019/20
- Investment in New Technologies in Care – This project was originally anticipated to start during 2018/19 but will now begin during 2019/20
- Social Care Case Management System Replacement – This project has progressed at a quicker pace than was originally forecast so the expected expenditure during 2018/19 is now greater than budget for the year, whilst still forecast to remain within the overall budget allocation.

62. The Repair and Maintenance project within the Efficiency and Transformation section of the Capital Programme has also slipped a large proportion of its expenditure into 2019/20 owing to unanticipated delays in compliance surveys and other areas.

63. Overall, it is concluded that the forecast expenditure for the Capital Programme is within the budget limit.

64. Appendix 9 details the Capital Programme forecast for 2018/19 and estimates for future years.

### **Treasury Management Update Progress Report**

65. The County Council has adopted the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice which recommends that a half yearly treasury management report is produced. The following paragraphs therefore detail the borrowing and lending transactions undertaken by the Council for the first half of the 2018/19 financial year.

66. Long-term borrowing is used to fund capital projects and to replace principal sums repaid during the year. Lending transactions are now made up of short-term investments with the Debt Management Office held at the Bank of England; other local authorities; Svenska Handelsbanken; the two-part Government owned banks (Lloyds and RBS); in AAA-rated instant access Money Market Funds; and AAA-rated ultra-short duration bond funds.

#### **Background**

67. The bank rate was increased from 0.50% to 0.75% in August 2018. All investments have been made in line with the treasury management strategy approved by Council.

#### **Borrowing**

68. Total Council debt outstanding stood at £447.7 million at 30 September 2018, of which £104.6 million was to finance the Energy from Waste project; this is well within the Capital Financing Requirement estimated for 2018/19 of £589.6 million. The balance is temporarily funded by cash backed reserves and working capital. This level of debt also meets the Prudential Indicators for the authorised limit for external debt of £623 million and the

operational boundary of £600 million. All debt is fixed rate and meets the Council's limits on the type of debt it holds (fixed or variable).

69. The Council may take further short-term or long-term borrowing imminently, as the amount of working capital is forecast to reduce. This is in-line with budgeting assumptions made before the start of the year.

70. Total debt consists of longer and short-term debt.

71. The level of long-term debt during the half year increased by £3.9 million, due to £36.1 million of debt maturing in April and £40 million of borrowing to support the capital programme.

72. New Loans were taken on the 26 and 27 July 2018 to fund the Capital Programme as listed in Table 6 below:

**Table 6: New Loans**

<b>Loan type</b>	<b>£m</b>	<b>Rate (%)</b>	<b>Maturity date:</b>
Maturity	5	2.54	2 August 2046
Maturity	5	2.50	2 August 2049
Maturity	10	2.53	2 August 2047
Maturity	10	2.51	2 August 2048
Maturity	10	2.48	2 August 2050

73. Existing long-term debt plus the above new loans resulted in the following maturity structure as at 30 September 2018 for debt totalling £447.7 million. This repayment profile meets the Council's Prudential Indicator for maturity structures.

**Table 7: Maturity Structure**

<b>Within</b>	<b>£m</b>	<b>% of Total Debt</b>
1 year	62.995	14.1
1 – 2 years	22.254	5.0
2 – 5 years	27.880	6.2
5 – 10 years	60.647	13.5
10 years and over	273.894	61.2
<b>Total</b>	<b>447.670</b>	<b>100.0</b>

74. The average rate of longer-term debt at 30 September 2018 stood at 3.49%.

75. The short-term debt consists of local deposit loans repayable at seven days' notice, which totalled £0.379 million at 30 September 2018. This is unchanged compared with 31 March 2018.

**Lending**

76. The Council has placed funds with the Bank of England's Debt Management Office, other local authorities, selected banks, Money Market and short bond funds. The temporary lending transactions for the first-half of 2018/19 of the Council's cash balances are summarised as follows.

**Table 8: Lending Transactions Summary**

	<b>£m</b>	<b>£m</b>
<b>Balance at 01/04/2018</b>		43
Investments made during the half-year (148)	367	
<b>Less</b>		
Investments recalled during the half-year (169)	(363)	4
<b>Balance at 30/09/2018</b>		47

77. The balance as at 30 September 2018 includes £3.0 million as part of its role in the West Midlands Regional Improvement and Efficiency Programme and £12.4 million invested on behalf of Hereford and Worcester Fire Authority.

78. All investments are made in accordance with the Council's Treasury Management Policy and to institutions that satisfy the criteria in the Council's Treasury Management Practices.

79. The average rate earned on investments during the first-half of 2017/18 was 0.51%, the gross interest earned on investments totalled £0.110 million.

80. The Chief Financial Officer and the Cabinet Member with Responsibility for Finance confirm that the management of debt and short-term investments continues to be cost effective.

### **Government Funding - Consultations**

81. In December 2018 the Government issued consultations on revisions to local government funding 'review of local authorities' relative needs and resources' and business rates retention reform.

82. The review of local authority's relative needs and resources consultation proposes to introduce a population-driven foundation formula to determine allocations for a number of service areas but there will also be several service-specific formulae. Included in this are issues around using a notional council tax figure and assumptions around tax base forecast to inform resource adjustments.

83. The business rates retention reform consultation covers how to get the right balance of risk and reward in the business rates retention system so that local authorities continue to receive the benefit of growth they achieve in their local areas, and how to mitigate volatility in income and address the impact of appeal losses and valuation change.

84. The potential impact of these consultations has been considered, and whilst there is still much technical detail for the Government still to confirm which gives rise to concern, there are a number of general points that can be made at this time including ensuring that rurality is sufficiently included in the funding formula and that relative funding can be more transparent and comparable between the different types of local government bodies (counties, districts, unitaries) and over geographical areas within and outside London.

85. The Council's responses to these consultations are available on-line.

### **Capital Grant - £2.68 million for two schemes around A38 / M5 / M42 - Cutting Congestion**

86. In January 2019, the County Council was notified that it has been awarded a £2.68 million capital grant from Highways England for junction improvements around the A38. As set out in the September 2018 A38 Cabinet report, this is part of an overall scheme with other funding contributors being the Worcestershire Local Enterprise Partnership and the Greater Birmingham & Solihull Local Enterprise Partnership as well as income from s106 developer funding.

87. These improvements, which include widening the A38 at junction 1 of the M42 and at M5 junction 4 to Lydiate Ash Road, are expected to significantly reduce queuing at peak times.

88. They are part of the wider A38 Bromsgrove Corridor scheme which, when complete, is expected to unlock significant growth in new homes, and it will also allow new employment opportunities to be created in the local area.

89. Cabinet is asked to note the welcome funding receipt and that it was approved to be included in the Capital Programme by Full Council in September 2018.



## **New Grant - £0.175 million grant funding over 2018/19 and 2019/20 from MHCLG to support additional costs that may arise because of Brexit**

90. Local authorities across England will receive a share of £56.5 million to help support their preparations for Brexit. For the County Council this is £0.175 million over two years.

91. This funding is intended to help local authorities with specific costs which may arise following Brexit.

92. This funding will not be the only resource Councils receive from central government to fund Brexit costs. The Government has been clear that it's departments will assess and, if appropriate, fund any potential new requirements of Councils as part of the Brexit work they are undertaking.

93. At this stage, the money will be ring-fenced in reserves whilst a review is undertaken to confirm how this funding will be utilised.

94. Cabinet is asked to recommend Council approves an increase to the Financial Services revenue budget cash limits to reflect use of this grant.

### **Legal Implications**

95. Legal advice will be provided to support any changes in service delivery in accordance with the requirements of the Council's policies and procedures.

### **Financial Implications**

96. Members are required under Section 25 of the Local Government Act 2003 to have regard to the Chief Financial Officer's report when making decisions about the budget calculations for each financial year. Specifically this is undertaken through the approval of the annual budget in February each year.

97. Section 25 of the Act also covers budget monitoring and this process monitors the robustness of budgets, adequacy of reserves and the management of financial risk throughout the year. This Cabinet report highlights forecast variances arising from current financial performance and the possible impact of existing pressures on future expenditure so that appropriate action may be taken.

98. In discharging governance and monitoring roles, Members are asked to consider the issues arising and the potential impact on the budget as well as the financial risks arising.

99. The Council's procedures for budget monitoring is reinforced through close financial support to managers and services on an ongoing basis to ensure processes and controls are in place to enable tight financial control.

### **HR Implications**

100. A number of existing and new proposed savings may impact on staff roles and responsibilities and where appropriate senior officers take advice from the Council's Human Resources team.

101. This will include undertaking consultations with staff, trade unions and any other affected body as appropriate.

### **Environmental and Climate Change Implications**

102. There are no significant environment and climate change implications arising from this

report. The Council will continue to monitor the impact of climate change as appropriate.

### **Equality Duty Considerations**

103. The Council will continue to have due regard to proactively addressing the three elements of the Public Sector Equality Duty in all relevant areas – in particular the planning and delivery of our services. The Council will continue to assess the equality impact of all relevant transformational change programmes and will ensure that Full Council has sufficient equalities assessment information to enable it to have due regard to the three elements of the Equality Duty when considering any changes to the budget for 2018/19. The Council will continue to ensure best practice is followed with regard to these requirements.

### **Risk Implications**

104. The Cabinet report includes recommendations regarding the Council's spending and management of the budget, including assessment and use of reserves.

105. If approved, there are normal risks regarding ensuring that appropriate qualifying expenditure is incurred, and that spending is within the cash limited for the project. These risks are mitigation through the regular budget monitoring process.

### **Privacy and Public Health Impact Assessment**

106. A Health Impact Assessment has been undertaken with regard to this report and recommendations relating to new spending decisions to understand the potential impact they can have on Public Health outcomes across the county area.

107. This report is mainly about confirming the forecast outturn financial position for the end of the financial year reflecting existing Cabinet decisions and policies, and requesting approval for spending new specific grant monies with spending restrictions associate with these grants.

108. Taking this into account, it has been concluded that there are no other specific health impacts as a result of new decisions arising from this Cabinet report.

109. A similar assessment has been undertaken with regard to privacy/data protection and has confirmed that there is no impact anticipated as a result of this report.

### **Supporting Information**

- **Appendix 1** – Revenue Budget Monitoring Outturn Forecast for Month 10 - 31 January 2019
- **Appendix 2** - Budget variances greater than £0.250 million
- **Appendix 3** - Capitalisation
- **Appendix 4** - Use of Grants
- **Appendix 5** - Provisional Transfers to/from Earmarked Reserves
- **Appendix 6** - Savings RAG Summary 2018/19
- **Appendix 7** - List of Savings – Agreed Budget Plan 2018/19
- **Appendix 8** - Monitoring of 2018/19 additional savings reported to Cabinet in September 2018
- **Appendix 9** – Capital Budget Monitoring Outturn Forecast for Month 10 – 31 January 2019

## **Contact Points**

### County Council Contact Points

County Council: 01905 763763

Worcestershire Hub: 01905 765765

### Specific Contact Points for this Report

Michael Hudson, Chief Financial Officer, 01905 84**5560**, [mhudson@worcestershire.gov.uk](mailto:mhudson@worcestershire.gov.uk)

Sue Alexander, Head of Financial Management (Adults, Children's Families and Communities), 01905 84**6942**, [salexander@worcestershire.gov.uk](mailto:salexander@worcestershire.gov.uk)

Stephanie Simcox, Head of Strategic Infrastructure Finance and Financial Recovery, 01905 84**6342** [ssimcox@worcestershire.gov.uk](mailto:ssimcox@worcestershire.gov.uk)

Mark Sanders, Senior Finance Manager, 01905 84**6519**, [mssanders@worcestershire.gov.uk](mailto:mssanders@worcestershire.gov.uk)

## **Background Papers**

In the opinion of the proper officer (in this case the Chief Financial Officer) the following are the background papers relating to the subject matter of this report:

Previous Cabinet Resources Reports

Cabinet report relevant to A38 Capital Scheme – 27 September 2018

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P10 - 2018/19 SLT Revenue Budget Monitoring Forecast by Service													
Dir.	Service	2018/19 Net Budget	Gross Forecast	Less Budgeted Grants	Less Budgeted Reserve Mvts	Variance Before One-Off's	Less - Capitalisation	Less - Use of Grants	Transfer to / (from) Reserves	Variance After Adjustments	Variance After Adjs	Variance Last Period	Change Since Last Period
		£000	£000	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
CFC	DSG - School Formula Budgets	173,219	173,074	0	0	(145)	0	0	145	0	0.0%	0	0
CFC	DSG - High Needs Pupils	40,667	49,791			9,124	0	(1,232)	(7,892)	0	0.0%	0	0
CFC	DSG - Early Years	693	732			39	0	0	(39)	0	0.0%	0	0
CFC	DSG - Statutory Duties / Historic Commitments	4,766	4,756			(10)	0	0	10	0	0.0%	0	0
CFC	DSG - De-Delegated Services	602	609			7	0	0	(7)	0	0.0%	0	0
CFC	<b>DSG - Sub Total</b>	<b>219,947</b>	<b>228,962</b>	<b>0</b>	<b>0</b>	<b>9,015</b>	<b>0</b>	<b>(1,232)</b>	<b>(7,783)</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>
CFC	DSG - Dedicated Schools Grant	(219,947)	(219,947)			0	0	0	0	0	0.0%	0	0
CFC	<b>Dedicated Schools Grant (DSG)</b>	<b>0</b>	<b>9,015</b>	<b>0</b>	<b>0</b>	<b>9,015</b>	<b>0</b>	<b>(1,232)</b>	<b>(7,783)</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>
CFC	CSC Safeguarding Locality Teams	10,064	10,077	(163)	(235)	(385)	0	0	0	(385)	-3.8%	(477)	92
CFC	CSC Through Care Locality based Hubs	3,474	3,939		(350)	115	0	0	0	115	3.3%	112	3
CFC	CSC Family Front Door	4,045	4,194		(194)	(45)	0	0	0	(45)	-1.1%	(45)	0
CFC	CSC Targeted Family Support	1,426	1,022		0	(404)	0	0	0	(404)	-28.3%	(132)	(272)
CFC	CSC Safeguarding and Quality Assurance	1,733	1,802		(91)	(22)	0	0	0	(22)	-1.3%	(22)	0
CFC	CSC Placements & Provision	43,674	46,272	(37)	(130)	2,431	0	0	0	2,431	5.6%	2,050	381
CFC	Worcestershire Safeguarding Children Board	138	138			0	0	0	0	0	0.0%	0	0
CFC	Education & Skills	4,348	11,221	(6,253)	(437)	183	0	0	0	183	4.2%	149	34
CFC	Home to School & College Transport	13,692	14,380	(306)		382	0	0	0	382	2.8%	447	(65)
CFC	Early Help & Partnerships	4,697	5,829	(1,132)		0	0	(400)	0	(400)	-8.5%	(400)	0
CFC	WCC Contribution to West Mercia Youth Offending Service	552	528			(24)	0	0	0	(24)	-4.3%	(24)	0
CFC	Finance & Resources	3,003	3,586	(81)	(154)	348	(449)	0	0	(101)	-3.4%	(43)	(58)
CFC	Alternative Delivery Model	0	2,826	(2,826)		0	0	0	0	0	-	0	-
CFC	Strategic Libraries and Learning( Including The Hive)	4,195	7,556	(3,381)	(32)	(52)	0	0	(62)	(114)	-2.7%	(76)	(38)
CFC	Support for the Arts	122	122			0	0	0	0	0	0.0%	0	0
CFC	Joint Museum Service	372	447			75	0	0	0	75	20.2%	76	(1)
CFC	WCC Museum	222	222			0	0	0	0	0	0.0%	0	0
CFC	Countryside Greenspace and Gypsies	603	765	(162)		0	0	0	0	0	0.0%	0	0
CFC	Strategic Music Education	0	730	(730)		0	0	0	0	0	-	0	0
CFC	<b>Children, Families and Communities (Excl DSG)</b>	<b>96,361</b>	<b>115,656</b>	<b>(15,071)</b>	<b>(1,623)</b>	<b>2,601</b>	<b>(449)</b>	<b>(400)</b>	<b>(62)</b>	<b>1,690</b>	<b>1.8%</b>	<b>1,615</b>	<b>75</b>
E&I	Strategic Infrastructure & Economy	5,661	10,269	(3,764)	(603)	241	0	0	0	241	4.3%	168	73
E&I	Highways Contracts, Winter Service and Projects	7,000	7,002			2	0	0	0	2	0.0%	0	2
E&I	Waste Services	30,460	36,152	(1,818)	(4,873)	(999)	0	0	0	(999)	-3.3%	(981)	(18)
E&I	Operations, Highways and PROW	6,933	6,853			(80)	(60)	0	0	(140)	-2.0%	(140)	0
E&I	Transport Operations	10,770	11,514	(520)		224	0	0	(52)	172	1.6%	196	(24)
E&I	Business, Administration & Systems	2,720	1,508			(1,212)	(1,500)	0	0	(2,712)	-99.7%	(2,712)	0
E&I	<b>Economy &amp; Infrastructure</b>	<b>63,544</b>	<b>73,298</b>	<b>(6,102)</b>	<b>(5,476)</b>	<b>(1,824)</b>	<b>(1,560)</b>	<b>0</b>	<b>(52)</b>	<b>(3,436)</b>	<b>-5.4%</b>	<b>(3,469)</b>	<b>33</b>
COACH	Legal and Democratic Services	4,150	4,789	(69)	(570)	0	0	0	0	0	0.0%	0	0
COACH	Commercial Team	2,308	2,209	(60)	191	32	0	(115)	(83)	(83)	-3.6%	(4)	(79)
COACH	Property Services	4,383	4,612	(60)	191	360	0	0	360	360	8.2%	360	0
COACH	HR	2,983	2,865			(118)	0	0	(42)	(160)	-5.4%	0	(160)
COACH	Service Transformation (Customer Servs, ICT)	5,853	5,986			133	0	0	0	133	2.3%	250	(117)
COACH	Content and Communications	727	727			0	0	0	0	0	0.0%	0	0
COACH	COACH - Management	841	312			(529)	0	0	(71)	(600)	-71.3%	(606)	6
COACH	Directorate Recharges	(13,196)	(13,196)			0	0	0	0	0	0.0%	0	0
COACH	Directorate 2% Reserve	0	0			0	0	0	0	0	-	0	0
COACH	<b>Commercial and Commissioning</b>	<b>8,049</b>	<b>8,304</b>	<b>(189)</b>	<b>(188)</b>	<b>(122)</b>	<b>0</b>	<b>0</b>	<b>(228)</b>	<b>(350)</b>	<b>-4.3%</b>	<b>0</b>	<b>(350)</b>
CEX	Chief Executive	531	531			0	0	0	0	0	0.0%	0	0
CEX	<b>Chief Executive</b>	<b>531</b>	<b>531</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>
DAS	Older People	63,470	69,743	(5,291)	0	982	(540)	0	0	442	0.7%	1,226	(784)
DAS	Physical Disabilities	11,463	13,121		0	1,658	0	0	0	1,658	14.5%	1,694	(36)
DAS	Learning Disabilities	55,547	63,133	(792)	0	6,794	0	0	0	6,794	12.2%	6,772	22
DAS	Mental Health	9,678	10,575	0	0	897	0	0	0	897	9.3%	912	(15)
DAS	Support Services	(5,008)	3,073	0	0	8,081	(750)	(3,875)	0	3,456	-69.0%	2,005	1,451
DAS	Integrated Commissioning Unit	919	644	0	0	(275)	0	0	0	(275)	-29.9%	(348)	73
DAS	BCF (excluding Health)	451	11,368	(10,937)	0	(20)	0	0	0	(20)	-4.4%	864	(884)
DAS	IBCF	(11,124)	2,344	(13,400)	0	68	0	0	0	68	-0.6%	(105)	173
DAS	<b>Adult Services</b>	<b>125,396</b>	<b>174,001</b>	<b>(30,420)</b>	<b>0</b>	<b>18,185</b>	<b>(1,290)</b>	<b>(3,875)</b>	<b>0</b>	<b>13,020</b>	<b>10.4%</b>	<b>13,020</b>	<b>0</b>
PH	Public Health	(831)	27,606	(28,437)		0	0	0	0	0	0.0%	0	0
PH	<b>Public Health</b>	<b>(831)</b>	<b>27,606</b>	<b>(28,437)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>
Serv	<b>Total : Services (Excl DSG)</b>	<b>293,050</b>	<b>399,396</b>	<b>(80,219)</b>	<b>(7,287)</b>	<b>18,840</b>	<b>(3,299)</b>	<b>(4,275)</b>	<b>(342)</b>	<b>10,924</b>	<b>3.7%</b>	<b>11,166</b>	<b>(242)</b>
FIN	Financial Services	496	496			0	0	0	0	0	0.0%	0	0
FIN	PMO Office - Central	0	155			155	(155)	0	0	0	-	0	0
FIN	Financing Transactions (Borrowing and Investments)	15,392	11,792			(3,600)	0	0	0	(3,600)	-23.4%	(3,600)	0
FIN	MRP	10,782	3,279			(7,503)	0	0	7,503	0	0.0%	0	0
FIN	Contributions and Precepts	245	245			0	0	0	0	0	0.0%	0	0
FIN	Insurance	0	0			0	0	0	(500)	(500)	-	(500)	0
FIN	Pension Fund Backfunding Liabilities	5,767	6,339			572	0	0	(572)	0	0.0%	0	0
FIN	Miscellaneous Whole Organisation Services	346	396			50	0	0	(50)	0	0.0%	0	0
FIN	New Homes Bonus Grant Income	(2,636)	0	(2,636)		0	0	0	0	0	0.0%	0	0
FIN	Whole Organisation - Contingency	750	125			(625)	0	0	0	(625)	-83.3%	(625)	0
FIN	<b>Finance / Corporate Items</b>	<b>31,142</b>	<b>22,827</b>	<b>(2,636)</b>	<b>0</b>	<b>(10,951)</b>	<b>(155)</b>	<b>0</b>	<b>6,381</b>	<b>(4,725)</b>	<b>-15.2%</b>	<b>(4,725)</b>	<b>0</b>
TRF	Transfer from Reserves (Per MTFP Feb 2017)	0	0			0	0	0	0	0	-	0	0
TRF	<b>Funding - Transfer From Reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>
Total	<b>Total (Excl DSG)</b>	<b>324,192</b>	<b>422,223</b>	<b>(82,855)</b>	<b>(7,287)</b>	<b>7,889</b>	<b>(3,454)</b>	<b>(4,275)</b>	<b>6,039</b>	<b>6,199</b>	<b>1.9%</b>	<b>6,441</b>	<b>(242)</b>
Funding	Revenue Support Grant	(9,436)	(9,436)			0	0	0	0	0	0.0%	0	0
Funding	Business Rates Retention Scheme	(61,136)	(61,136)			0	0	0	0	0	0.0%	0	0
Funding	Council Tax Income	(251,536)	(251,536)			0	0	0	0	0	0.0%	0	0
Funding	Collection Fund (Surplus) / Deficit	(2,084)	(2,084)			0	0	0	0	0	0.0%	0	0
Total	<b>Total - Funding</b>	<b>(324,192)</b>	<b>(324,192)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>
	<b>Grand Total - Services and Funding (Excl DSG)</b>	<b>(0)</b>	<b>98,031</b>	<b>(82,855)</b>	<b>(7,287)</b>	<b>7,889</b>	<b>(3,454)</b>	<b>(4,275)</b>	<b>6,039</b>	<b>6,199</b>	<b>1.9%</b>	<b>6,441</b>	<b>(242)</b>
	<b>Dedicated Schools Grant (DSG)</b>	<b>0</b>	<b>9,015</b>	<b>0</b>	<b>0</b>	<b>9,015</b>	<b>0</b>	<b>(1,232)</b>	<b>(7,783)</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>
	<b>Total</b>	<b>(0)</b>	<b>107,046</b>	<b>(82,855)</b>	<b>(7,287)</b>	<b>16,904</b>	<b>(3,454)</b>	<b>(5,507)</b>	<b>(1,744)</b>	<b>6,199</b>	<b>1.9%</b>	<b>6,441</b>	<b>(242)</b>

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**P10 - 2018/19 SLT Revenue Budget Monitoring Forecast by Service** **Directorate Variances over £250,000**

Dir.	Service	Budget £000	Projection £000	Variance £000	Variance %	Reason (provide if variance is +/- £250k)
CFC	Children's Social Care Placements & Provision	43,674	45,725	2,051	4.7%	<p>As outlined in previous budget monitoring reports, there has been a gross pressure of between £1.8m and £2.1m, which was brought down to a projected overspend of £800k on the assumption that savings plans would be realised and new demand would be managed. It was reported that there is a risk within the forecast, given the increase in high cost placements.</p> <p>A number of actions have been taken forward to deliver this, including the panel review of top up payments and the development of the edge of care strategy which was reported to Cabinet on 18 October 2018. The net change in numbers this month was a reduction in placements – the December figure for external placements is 370 compared to 372 in November. Despite this decrease, the forecast increased by £331k for external placements, as within the net reduction of two, there was an increase of four in external residential placements. In addition, the decision has been taken this month to remove any assumptions that numbers will reduce before the end of the financial year. As there are only three months remaining, it is not anticipated that a further decrease in numbers would generate much of a reduction in forecast.</p> <p>The forecast for internal placements (which includes fostering, adoption etc.) has increased .by £242k this month. During December, Interagency Fees (fees WCC pay to adoption agencies &amp; other LA's for post adoption support services for adopted families) that were previously thought to be the funding responsibility of ACE (Adoption Central England) have been brought into forecast, as they have been found relating to Adoptions that pre-date the formation of ACE. This has increased the forecast by £200k.</p> <p>In total, Placements and Provision increased by £1m. This has been partially offset by reductions in other Children's Social Care</p>
CFC	Early Help and Partnerships	4,697	4,297	(400)	-8.5%	Allocation of Publi Health Grant income for qualifying expenditure across the service
CFC	Home to School Transport	13,692	14,292	600	4.4%	The latest transport forecast from Council colleagues indicates a projected overspend of £0.530m. However, given the volatility of this budget, the decision has been made to keep the forecast overspend as £600k, as reported in previous months. During the work being undertaken with Transport Managers on Home to School Transport (HTST) budgets it has been identified that £153k of the £600k HTST overspend relates to "Short Breaks Transport SEN", a budget which is under the responsibility of Education & Skills. This has been reflected on the monitoring report which is why the 'Home to School and College Transport' line appears to have improved by £153k – it has merely moved to another line.

P10 - 2018/19 SLT Revenue Budget Monitoring Forecast by Service	Directorate Variances over £250,000
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Dir.	Service	Budget £000	Projection £000	Variance £000	Variance %	Reason (provide if variance is +/- £250k)
CFC	Safeguarding Locality Teams	10,064	9,587	(477)	-4.7%	Staffing underspends across different teams. The largest underspend is in Recruitment & Retention payments.
FIN	Financing Transactions (Borrowing and Investments)	15,392	11,792	(3,600)	-23.4%	Defer planned external borrowing whilst cash balances are strong and no significant forecast for interest rate rises. Forecast includes possibility of borrowing further £20m before end of 18/19
FIN	MRP	10,782	7,070	(3,712)	-34.4%	18/19 MRP Saving from policy change
FIN	MRP (PFI Element)	10,782	6,991	(3,791)	-35.2%	18/19 MRP - PFI Saving from policy change
FIN	Insurance		(500)	(500)	-	Reduce Fire Insurance Reserve following financial risk assessment
FIN	Whole Organisation - <b>Contingency</b>	750	125	(625)	-83.3%	Residual Amount not allocated from Corporate Contingency
E&I	Business, Administration & Systems	2,720	8	(2,712)	-99.7%	Capitalisation of Highway Works - £1m Capitalisation of Staff Time - £500k Highways Maintenance Service Specification Change - £500k Reduced spend on Concessionary Fares - £100k Increased Driver Training Income - £150k Reduced Discretionary Spend - £200k Use of grants and income - £200k Miscellaneous - £16k Reduced spend on Communications -£44k
E&I	Waste Services	30,460	29,461	(999)	-3.3%	As at the end of December there were -£2.723m outstanding financial contractual accruals. Draft reconciliation work forecasts that -£825k of these accruals can be released and -£1.898m needs to be retained for forecasted potential contractual commitments. The balance of -£195k is related to net reduced tonnage throughput especially in relation to the Energy from Waste facility.



<b>P10 - 2018/19 SLT Revenue Budget Monitoring Forecast by Service</b>	<b>Directorate Variances over £250,000</b>
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Dir.	Service	Budget £000	Projection £000	Variance £000	Variance %	Reason (provide if variance is +/- £250k)
COaCH	Property Services	4,383	4,743	360	8.2%	Budget reduced by £0.5 million to take account of the impact of property sales expected. A number of these sales have not been achieved within indicative timescales and there is also a forecast overspend against the Place Partnership property services budget based on the 2017/18 outturn reflecting increases in reactive maintenance and other unplanned events. This is partly offset by a saving of £140k on the budget for feasibility studies.
COaCH	COACH - Management	841	241	(600)	-71.3%	COaCH Management salary savings - £15k Salary savings within the Commercial Team - £143k HR Vacant Posts - £175k Delay in the Graduate Training Programme - £200k Salary savings within Contents and Communications -£24 Use of General Reserve -£49 Miscellaneous £6k
DAS	Older People	63,470	63,912	442	0.7%	Older People (£0.442m overspend, reduction of £0.438m from P9) g) OP Residential and Nursing is currently forecast to overspend by £0.9m a decrease of £0.2m since last month as the result of a net reduction of 11 clients. It is assumed that this reduction will continue for the rest of the financial year. h) OP Home Care is forecast to overspend by £0.6m, an increase in the forecast overspend of £0.1m. The average weekly cost per package increased by 12p per week in period 10, overall client numbers reduced by 1. Savings totalling £2.5m were taken out of the budget in this area for 2018/19. i) OP Internal Homecare Service is showing an underspend projection of £0.6m due to a large number of vacancies in this team. This is typical of this service in recent years. j) Direct payments budget is forecast to overspend by £0.167m due to current clients in OP. k) The Carers service is predicting an underspend of £0.5m due to a reduction in flexible breaks. l) Older People's placement forecasts have been based upon historical experience to reflect volatility in client numbers throughout the calendar year.
DAS	Physical Disabilities	11,463	13,121	1,658	14.5%	Physical Disability (£1.658m overspend, reduction of £0.020m from P9) m) PD Residential and Nursing is forecast to overspend by £1.187m (a decrease in projection of £30k). The overspend is due to an increase in client numbers and an increase in package costs n) PD Homecare service is forecast to overspend by £0.516m (an increase in projection of £4k). The overspend is due to a shortfall in Future Fit savings for spot purchases, and an increase of clients since budget setting. o) PD Direct payments is forecast to underspend by £137k (a decrease of £8k since P9) the reason for the underspend is due mostly to a number of client packages that have closed (£66k), and reclaims of DP payments (£62k)

<b>P10 - 2018/19 SLT Revenue Budget Monitoring Forecast by Service</b>	<b>Directorate Variances over £250,000</b>
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Dir.	Service	Budget £000	Projection £000	Variance £000	Variance %	Reason (provide if variance is +/- £250k)
DAS	Learning Disabilities	55,547	62,341	6,794	12.2%	<p>Learning Disability (£6.794m overspend, reduction of £46k from P9)</p> <p>p) LD Residential and Nursing is forecast to over spend by £4.749m. This is mainly due to a delay in achieving savings targets during 2018/19, resulting in an over spend of £1.9m, and the impact of the transfer of £233k of budget to in-house Residential Homes to fund increased staffing at Exmoor Drive. The remaining over spend is due to:</p> <p>q) 4 clients previously funded by CHC, 2 clients from hospital placements previously funded by Health, 4 additional clients entering the service, a cost of £235k for one client (KC) and an anticipated £23k backdated cost as advised by the operational lead.</p> <p>r) The forecast assumes that funding of £686k will follow the TCP clients who have stepped down from locked hospitals to date. The CCGs have said that they will fund the actual cost of current clients although there is currently no signed agreement regarding future funding arrangements and risk share.</p> <p>s) LD Supported Living is forecast to over spend by £2.127m. This is mainly due to 17 clients entering the service from CHC, in-house services, previous clients re-entering the service and clients previously only in receipt of replacement care. This has resulted in an increased cost of £1.1m since budget setting. In addition, increased costs and services and clients transferring from other areas have resulted in an increased cost of £0.855m. The unachieved savings target of £0.172m for Supported Living also contributes to the overall over spend.</p> <p>t) The LD Budget includes provision for known transition cases which are assumed to transfer to ASC this financial year but does not provide for any unforeseen cases (e.g. through carer breakdown) and the identification and management of these cases is a key budget management issue for the service.</p>
DAS	Mental Health	9,678	10,575	897	9.3%	<p>Mental Health (£0.897m overspent, decrease of £34K since P9)</p> <p>u) MH Residential, Nursing, Domiciliary and Supported Living are forecast to over spend by £0.962m due to an increase of 26 clients since budget setting. Direct payments are forecast to be underspent by £57k.</p> <p>v) This budget currently includes provision of £0.060m for future additional cases. This provision will be managed and reduced if possible through the remainder of the financial year.</p>
DAS	Support Services	(5,008)	(1,552)	3,456	-69.0%	This variance has occurred due to the net increased recovery of Direct Payment overpayments.
DAS	Integrated Commissioning Unit	919	644	(275)	-29.9%	ICU underspend of £0.275m due to deletion of vacant posts and additional income

**P10 - 2018/19 SLT Revenue Budget Monitoring Forecast by Service****Capitalisation**

<b>Dir.</b>	<b>Service</b>	<b>Capitalisation - Detail</b>	<b>£000</b>
FIN	Strategic Change Team	PMO Central Team Agreed costs to be capitalised and funded from Capital Receipts	155
COACH	Strategic Change Team	PMO Team Agreed costs to be capitalised and funded from Capital Receipts	328
CFC	Strategic Change Team	PMO Team Agreed costs to be capitalised and funded from Capital Receipts	449
DAS	Strategic Change Team	PMO Team Agreed costs to be capitalised and funded from Capital Receipts	397
DAS	Directorate management team	Additional staffing costs to be capitalised	353
DAS	Older People	Capitalisation of equipment purchases.	540
E&I	Business, Administration & Systems	Capitalisation of Highway Works	1,000
E&I	Business, Administration & Systems	Capitalisation of Staff Time	500
E&I	Operations, Highways and PROW	Capitalisation of Staff Time	60
<b>Total</b>			<b>3,782</b>

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<b>P10 - 2018/19 SLT Revenue Budget Monitoring Forecast by Service</b>			<b>Use of Grants</b>
<b>Dir.</b>	<b>Service</b>	<b>Use of Grants - Detail</b>	<b>£000</b>
DAS	iBCF	Use of Improved Better Care Fund	13,400
DAS	Older People	Public Health RFG to support Extra Care Core payments	692
DAS	Older People	Local Reform and Community Voices - VGIP	12
DAS	Physical Disabilities	ILF Grant	1,004
DAS	Learning Disabilities	ILF Grant	1,958
DAS	Support Services	Adult Social Care Grant	1,490
DAS	BCF	Better Care Fund (income funding from CCG's)	13,354
PH	Public Health	Public Health RFG	28,437
CFC	Early Help & Partnerships	Use of PHRFG	400
CFC	DSG High Needs	Additional Grant confirmed Dec 18	1,232
<b>Total</b>			<b>61,979</b>

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<b>P10 - 2018/19 SLT Revenue Budget Monitoring Forecast by Service</b>			<b>Provisional Transfer to/(from) reserves</b>
<b>Dir.</b>	<b>Service</b>	<b>Transfer to / (From) Reserves</b>	<b>£000</b>
CFC	DSG - High Needs Pupils	Fund overspend from £5.2m DSG reserve - The balance provisionally to be carried forward as an 'overdrawn' earmarked reserve	(5,232)
CFC	DSG - Early Years	Transfer from Non DSG reserves - OR Provisionally carry forward as an 'overdrawn' reserve	(2,551)
CFC	Strategic Libraries and Learning( Including The Hive)	Planned earmarked reserve withdrawal for The Hive related activities (short term marketing post and A&A work)	(62)
FIN	Insurance	Reduce Fire Insurance Reserve following financial risk assessment	(500)
FIN	MRP	Transfer to Financial Risk Reserve MRP Underspend	7,503
FIN	Miscellaneous Whole Organisation Services	Shortfall on West Mercia Energy Dividend - transfer from financial service reserve where £166k was set aside from previous WME surplus to cover shortfalls	(50)
FIN	Pension Fund Backfunding Liabilities	Transfer from reserves to cover shortfall in collected ER's contributions from	(572)
E&I	Transport Operations	Transfer from Bus Service Reserve towards Routewise system development costs and Park E-On	(52)
COaCH	COACH - Management	Use of 2% General Reserve to reduce bottom line overspend	(49)
COaCH	COACH - Management	Transfer from Commercial Transformation Pot to fund	(22)
COaCH	Commercial Team	Transfer from Commercial Transformation Pot to fund	(109)
COaCH	Commercial Team	Transfer from reserves to fund costs within Management Analytics	(6)
COaCH	HR	Transfer from reserves to assist HR Structure Transformation	(42)
<b>Total</b>			<b>(1,587)</b>

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## P10 - 2018/19 SLT Revenue Budget Monitoring Forecast by Service

### Savings and Reforms Summary 2018/19

	18/19	18/19	18/19	18/19	18/19
Directorate	Total £000	Delivered £000	On Target £000	Amber £000	Red £000
DAS	6,995	5,405	910	485	195
PH	1,040	0	0	1,040	0
CFC	1,222	910	58	4	250
E&I	8,600	600	6,700	300	1,000
COACH	1,100	700	50	75	275
Finance	1,575	1,575	0	0	0
Accounting Adj	9,000	9,000	0	0	0
<b>Total</b>	<b>29,532</b>	<b>18,190</b>	<b>7,718</b>	<b>1,904</b>	<b>1,720</b>
% of Revised Target	100.0%	61.6%	26.1%	6.4%	5.8%

2,047 Savings not achievable in year

**31,579** Budgeted Savings

5,853 Savings not achieved from previous years

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	Transformation Reforms - New Proposed Reforms/Existing Reforms and Accounting Adjustments/Alternative Sources of Funding	DIR	2018-19					
			18/19 Projected Savings £'000s	Savings c/f 19/20 £'000s	18/19 Delivered £'000s	18/19 On Target £'000s	18/19 Amber £'000s	18/19 Red £'000s
1	Conversion of Highways Revenue Maintenance costs from the revenue to capital budget, no reduction in actual spend	E&I	5,000	0		5,000		
2	Capitalisation of Maintenance Revenue Costs - A full analysis of existing revenue property maintenance budgets will take place during 2017/18 to identify spend which can be capitalised. The work will also identify a programme of condition surveys and the associated costs. The information collected as part of this exercise will support the development of an updated maintenance programme which will cover a three to five year period	COaCH	100	0				100
3	Capitalisation - Along with other areas within the Council, use of capital funding is being investigated in order to release revenue budgets with the expectation that reductions of £300,000 could be made.	CFC	300	0		50	0	250
4	Reprioritisation Following confirmation of Public Health Ring Fenced Grant (PHRFG) - Existing plans are based on cautious estimates of assumed grant levels from 2018. Further reprioritisation of spend will follow confirmation of the grant at the end of 2017.	PH	500	0			500	
5	Optimising the use of specific grant income eg Better Care Fund	ACCT ADJ	4,200	0	4,200			
6	Review of the Minimum Revenue Provision Policy, to align the period over which long term borrowing is repaid with the asset lives that are being financed.	ACCT ADJ	4,800	0	4,800			
7	Pension Fund - Prepayment of the Employer Contributions	FIN	400	0	400			
8	Revolving Investment Fund (RIF) - Investing projects which will yield income.	FIN	125	0	125			
9	Review of the expenditure budgets within street lighting	E&I	500	0			300	200
10	Review of the expenditure within waste management	E&I	3,100	0	600	1,700		800
11	Libraries - Through a combination of property remodelling, looking at innovative ways to deliver the service, reduction in costs as well as generating income, efficiencies are expected to be made over the 3 years totalling £1m in future years, in consultation with the public, a new model for library services will be investigated.	CFC	200	0	188	8	4	
12	Income Generation - Review of income generation opportunities across the directorate. Feasibility studies will be necessary - the target is therefore set for future years.	CFC	0	0				
13	Education Services - A review of the internal and contracted services relating to provision of education and skills will be undertaken to reduce expenditure in the region of £280,000 over the 3 year period.	CFC	210	0	210	0		0
14	Staffing savings - Through a mix of reorganisation to ensure we have the most effective staffing structure in place to integrate work flow and contract efficiencies a budget reduction of approximately £155,000 is forecast over the medium term.	CFC	105	0	105	0		
15	Adoption - Adoption Services are currently moving towards a new model of delivery by transferring to the Adoption Central England (ACE) Regional Adoption Agency in February 2018. This, together with a reorganisation of the services and associated staff that are out of scope for the transfer could generate a saving of £346,000 over the 3 year period.	CFC	70	0	70	0		
16	Workforce Spend Review - Phase 1,2 and 3 The Council spends circa £90m per year on it's workforce. This spend aligns with three key overarching areas which are governance, management best practice and terms and conditions. It is therefore proposed that a review is carried out of all associated workforce spend around these three key areas, as identified above. The first step is to understand the workforce spend in each of these areas, followed by the identification of next steps which will then need to be negotiated with the relevant Unions. This will be completed early in 2018/19.	COaCH	600	0	600			
17	IT Technical Support to Worcestershire County Council - ICT Managed Service Contract was let in December 2014 with an operational start date of February 2018. The contract covered computers, mobile phones, telephony servers, storage, wireless access points and audio visual equipment and equipment support (eg council chamber webcast). As the contract has progressed it is becoming increasingly clear that the IT landscape around which the contract was awarded has changed and it is expected that this will continue to evolve. The proposal is for the support to the items outline above is delivered through a WCC based team. This would enable the Council to have greater control and increased responsiveness to emerging IT demand, whilst being able to access specialist IT expertise when required. This work stream would be delivered during 2018	COaCH	250	0		50	75	125
18	Supporting service users to move to extra care residencies	DAS	140		140			
19	Review of Learning Disabilities Day Services / 12 week Connect Service	DAS	100		100			

Transformation Reforms - New Proposed Reforms/Existing Reforms and Accounting Adjustments/Alternative Sources of Funding		DIR	2018-19					
			18/19 Projected Savings £'000s	Savings c/f 19/20 £'000s	18/19 Delivered £'000s	18/19 On Target £'000s	18/19 Amber £'000s	18/19 Red £'000s
20	Supporting service users to move to supported living	DAS	297	0	297			
21	Minor adaptations funding	DAS	375	0		180		195
22	Commissioning In House Residential Care	DAS	120	0	90	30		
23	Case management approach for CHC funding	DAS	1,000	0	1,000			
24	Roll out of 3 conversation model	DAS	649	0	332	197	120	
25	Operational Budget Review - Efficiency savings through staffing, non-pay reviews and debt restructuring	FIN	125	0	125			
26	Treasury Management - Further iterations on the Treasury Management Strategy will be considered - the incorporation of property funds and other investment vehicles	FIN	50	0	50			
27	Contract Reviews - There are a number of contracts where strictly the statutory duties sit with housing, police and NHS, and the County Council has a duty to cooperate. We would be looking to have strategic discussions with relevant partners and authorities with a view to developing proposals for redesign and potential joint commissioning by October 2018.	PH	0	0				
28	Housing Extra Care - The current Service consists of lower level health and well-being support, but this is not a strongly evidence based service. Savings should be made by practice change and developing effective partnerships with VCS and local communities, with limited risk to residents. Working with extra care settings, to support the development of health promoting environments could be more productive and at a reduced cost to WCC.	PH	0	0				
29	Board have established a work stream to identify improvements in systems operating between Housing, Health and Adult Social Care and to review services that assist people to live independently at home and reduce pressures on hospital services and social care. This will include considering opportunities to improve joint commissioning of relevant services between the key agencies and where service contracts could be more joined up. IN that context this would include a review of the Home Improvement Agency contract, which is jointly commissioned by the six District Councils and WCC and delivers a range of services to maintain people's independence at home, including the provision of Disabled Facilities Grant. The current contract will operate until March 2019.	PH	0	0				
30	Lifestyle Services - We shall review the provision and design of available lifestyles services	PH	0	0				
31	Review of Mandated Areas - All of mandated services have been reshaped to include a renewed focus on prevention. It is anticipated that by 19/20 this may result in reduction in activity releasing £150k (1%) and enabling further service redesign to recommission at that level.	PH	0	0				
32	Technology enabled care	DAS	115	0	115			
33	Care package review project	DAS	820	0	521	299		
34	Application of Choice Policy	DAS	379	0	285	94		
35	Review and Manage Provider Fees	DAS	1,500	0	1,500			
36	Advocacy Joint Commissioning	DAS	50	0	50			
37	Public Health: Use of Public Health Ring Fenced Grant	PH	500	0			500	
38	Commercial and Performance: Develop a corporate approach to commissioning that delivers best outcomes for the Council and service areas including negotiation of best deals with current and new suppliers.	PH	40	0			40	
39	Better Use of Property: Potential acquisition of sites and associated Property Savings - UPDATE £100k achieved though active management of back funding budget	COaCH	150	0	100			50
40	COaCH Operating Model	COaCH	0	0				0
41	Libraries Remodelling (16/17 & 17/18 cfd)	CFC	281	0	281	0		
42	Communities Gap (16/17)	CFC	56	0	56	0		
43	Self Sufficient Council: Optimising income generation including traded services to other organisations and fees and charges - UPDATE - savings delivered through lower back funding costs	FIN	300	0	300			
44	Self Sufficient Council: This programmed will increase the Council's ability to be self-sufficient, moving further away from reliance on Central Government funding. This will include a range of outcomes: Optimising Council Tax and Business Rate income, Optimising Sales, Introducing a Revolving Door Capital Investment Fund and Maximising Value from Investment of the Council's Asset Base.	FIN	575	0	575			
45	Housing Support Mental Health	DAS	288	0	288			
46	External Provider Training - full cost recovery	DAS	90	0	90			
47	Maximising Benefits Income for Service Users	DAS	171	0	171			

Transformation Reforms - New Proposed Reforms/Existing Reforms and Accounting Adjustments/Alternative Sources of Funding		DIR	2018-19					
			18/19 Projected Savings £'000s	Savings c/f 19/20 £'000s	18/19 Delivered £'000s	18/19 On Target £'000s	18/19 Amber £'000s	18/19 Red £'000s
48	Non-statutory support for LD clients	DAS	10	0	10			
49	Rationalise support for people with sensory impairment	DAS	0	0				
50	Introduce charging for brokerage for self funders	DAS	10	0		10		
51	Robust spend control measures	DAS	465	0		100	365	
52	Capitalise finance transformational spend	DAS	250	0	250			
53	Commissioning and quality assurance review	DAS	106	0	106			
54	Social work capacity in hospitals	DAS	60	0	60			
55	Remove 50% rapid response / OOH resource in localities	DAS	0	0				
56	Review current charging mechanisms, policies and procedures	DAS	0	0				
57	Resetting the relationship with Worcestershire Health and Care Trust	DAS	0	0				
58	Revisit £1m of £2m iBCF funding allocated to CCGs	DAS	0	0				
59	Close the Grange	DAS	0	0				
60			0	0				
			29,532	0	18,190	7,718	1,904	1,720
			29,532			29,532		

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<b>2018/19 Just Do It</b>		<b>One Off £000</b>	<b>Target £000</b>	<b>In P9 £000</b>	<b>In P10 £000</b>
Introduce Charging for Brokerage for Self Funders	DAS		10	10	10
Introduce robust spend control measures across operational services - eg vacancy management, reduce training, cease use of external room hire, reduce overtime and authorisation of spend processes	DAS		465	465	465
The use of capital resources to finance transformational spend	DAS		250	250	250
Commissioning and Quality Assurance Review	DAS		106	106	106
Rationalise Social Work Capacity in Hospital Settings	DAS		60	60	60
Increase scope of Care Package Review Project to include all adult services	DAS		200		
Close the Grange	DAS		87		
Reduce non-statutory support for people with a learning disability	DAS		18	10	10
Vacancy management	All	300	500	230	230
Libraries and Learning - Savings b/f from 2019/20 plan, including vacancy management	CFC		160	160	160
Placements – social care	CFC		300	0	0
Targeted Family Support – contract variation	CFC	100	100	100	100
Review Training Budget	CFC	50	50	50	50
Flexible use of capital receipts	CFC	500	500	250	250
Other to be identified	CFC		430	0	0
Cease graduate and apprentice programmes (linked with SC&C29)	COaCH	200	200	200	200
Agency Absence, Staff Leave Purchase Scheme, Matrix Contract Review	All	300	500		
DXC Insource Recovery Plan and increase existing saving of £250k (CSP2017) to £300k from 2019/20	COaCH	125	125		
Lead Commissioner Vacancy (Education and Skills Post)	CFC		60	60	60
HR&OD - Perm vacancy review	COaCH		175	175	175
Payment Terms - Cease Early Payments (pay to contracted terms not immediately when invoice has been approved)	All		400		
COaCH Staffing Structures	COaCH		166	182	182
Tail Spend Review	All		500		
Review of reception costs	COaCH		20		
Highways Maintenance – Service Spec Change	E&I		500	500	500
Further capitalisation of highways and structures works	E&I		1,000	1,000	1,000
Further capitalisation of staff costs	E&I		500	500	500
Use of Grant / other income to fund more revenue costs	E&I		200	200	200
Reduce Discretionary Spend	E&I		200	200	200
Concessionary Travel	E&I		100	100	100
Driver Training income	E&I	150	150	150	150
Finance Service Restructure	Finance		100		
Insurance	Finance	500	500	500	500
Internal Audit	Finance		25		
		<b>2,225</b>	<b>8,657</b>	<b>5,458</b>	<b>5,458</b>
Financing Transactions	Finance	1,551	3,051	3051	3051
Whole Organisation Contingency	All	625	1,025	625	625
		<b>4,401</b>	<b>12,733</b>	<b>9,134</b>	<b>9,134</b>
Savings Not in Forecast				3,599	3,599
			<b>12,733</b>	<b>12,733</b>	<b>12,733</b>

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## Capital Programme 2018/19 to 2021/22 Onwards

	Budget 2018/19 £000	P10 Year-end Forecast 2018/19 £000	Variance 2018/19 £000	Variance 2018/19 %	LATEST FORECAST 2019/20 £000	LATEST FORECAST 2020/21 £000	LATEST FORECAST 2021/22 and Beyond £000	LATEST FORECAST TOTAL £000
<b>Corporate Plan Area</b>								
CHILDREN AND FAMILIES	31,160	19,333	-11,827	-38%	10,283	3,416		44,859
OPEN FOR BUSINESS	46,684	48,220	1,536	3%	60,668	51,598	4,223	163,173
THE ENVIRONMENT	48,939	47,844	-1,095	-2%	47,033	37,966	10,000	143,938
HEALTH & WELL-BEING	8,306	4,211	-4,095	-49%	3,833	508		12,647
EFFICIENCY & TRANSFORMATION	5,043	2,814	-2,229	-44%	8,950	9,900	9,000	32,893
<b>TOTAL</b>	<b>140,132</b>	<b>122,422</b>	<b>-17,710</b>	<b>-13%</b>	<b>130,767</b>	<b>103,388</b>	<b>23,223</b>	<b>397,510</b>

Children and Families	Budget	P10 Year-end	Variance	Variance	LATEST	LATEST	LATEST	LATEST
	2018/19	Forecast	2018/19	2018/19	FORECAST	FORECAST	FORECAST	FORECAST
	£000	£000	£000	%	2019/20	2020/21	2021/22	TOTAL
					£000	£000	and Beyond	£000
- Somers Park Primary School Expansion	712	700	-12	-2%				712
- The Chantry High School Expansion	1,493	1,346	-147	-10%				1,493
- Nunnery Wood High School Expansion	1,621	321	-1,300	-80%				1,621
- Christopher Whitehead High School Expansion	120	370	250	208%				120
- Tudor Grange School Expansion	485	485						485
- Rushwick Primary School Expansion	139	5	-134	-96%				139
- Redhill Primary School Expansion	1,752	1,925	173	10%				1,752
- Bengeworth 1st	157		-157	-100%				157
- Social Care Projects	1,314	686	-628	-48%				1,314
- Social Care Projects 17/18	2,961	520	-2,441	-82%	500			3,461
- Redditch S.77 Projects	109	50	-59	-54%				109
- Evesham St Andrews	162	31	-131	-81%				162
- Leigh and Bransford	138	137	-1	-1%				138
- Holyoaks Field 1st School	2,721		-2,721	-100%	3,179			5,900
- Worcester Library and History Centre (Non - PFI capital costs)	307	195	-112	-36%				307
- Redditch Library	440	465	25	6%				440
- Kidderminster Library	196	177	-19	-10%				196
- Capitalised Transformation Costs	494		-494	-100%	530	216		1,240
- Capitalisation of Revenue Costs	300		-300	-100%				300
- Flexible use of Capital Receipts	500		-500	-100%				500
- Major Schemes - Residual	324		-324	-100%				324
- Capital Maintenance	6,038	2,274	-3,764	-62%	307			6,345
- Basic Need	6,416	7,012	596	9%	5,667	3,100		15,183
- Special Provision Fund		40	40					
- School Managed Schemes (Inc. Universal Infant School meals and Devolved Formula Capital)	1,694	2,434	740	44%				1,694
- EFA Extension of Provision (Early Years)	259		-259	-100%				259
- Libraries Minor Works	166	160	-6	-4%	100	100		366
- Composite Sums - Residual	142		-142	-100%				142
<b>TOTAL</b>	<b>31,160</b>	<b>19,333</b>	<b>-11,827</b>	<b>-38%</b>	<b>10,283</b>	<b>3,416</b>		<b>44,859</b>

Open for Business	Budget 2018/19 £000	P10 Year-end Forecast 2018/19 £000	Variance 2018/19 £000	Variance 2018/19 %	LATEST FORECAST 2019/20 £000	LATEST FORECAST 2020/21 £000	LATEST FORECAST 2021/22 and Beyond £000	LATEST FORECAST TOTAL £000
- Open For business					1,000	1,250	750	3,000
- QinetiQ Land Purchase	2,180	2,180			1,000	1,000		4,180
- Worcestershire Growth Fund	141	141						141
- Worcester Technology Park	9	-20	-29	-322%				9
- Malvern Hills Science Park Scheme	830	1,087	257	31%				830
- Local Broadband Plan Phase 1	1,050	1,250	200	19%	2,115	146		3,311
- Local Broadband Plan Phase 2		197	197					3,311
- Local Broadband Plan Phase 3	1,308	1,308			2,692			4,000
- Investment Initiatives to Support Business and /or Green Technology					998	175	151	1,324
- A4440 WSLR Phase 4	4,511	5,512	1,001	22%	24,273	28,052	3,292	60,128
- A38 Bromsgrove	1,148	1,013	-135	-12%	2,665	10,015		13,828
- Kidderminster Churchfields	909	909			3,000	2,611		6,520
- Pershore Northern Infrastructure (including up to £5.1m from HILF)	1,414	718	-696	-49%	3,671	6,220		11,305
- HILF Projects	150	150			750	1,271		2,171
- Capital Skills Programme	1,805	1,805			1,982	222		4,009
- Southern Link Dualling Phase 3	9,515	10,656	1,141	12%	6,274			15,789
- Southern Link Dualling Phase 3 - Broomhall Way Footbridge	500	500			3,000			3,500
- Worcester Parkway Regional Interchange	16,041	15,800	-241	-2%	970			17,011
- Kidderminster Rail Station Enhancement	1,812	1,860	48	3%	2,695			4,507
- Kidderminster Town Centre Phase 2	548	546	-2	0%	1,384			1,932
- Droitwich High Street	68	20	-48	-71%				68
- Redditch Town Centre	85	-19	-104	-122%				85
- Worcester City Centre	255	313	58	23%	978			1,233
- Tenbury Public Realm		25	25					
- Malvern Public Realm	7		-7	-100%	20			27
- ERDF Capital Projects	2,074	1,989	-85	-4%	1,035	455		3,564
- Boiler on Prescription	53	9	-44	-83%				53
- The Kiln	195	195						195
- Warm Homes Fund	76	76			166	181	30	453
<b>TOTAL</b>	<b>46,684</b>	<b>48,220</b>	<b>1,536</b>	<b>3%</b>	<b>60,668</b>	<b>51,598</b>	<b>4,223</b>	<b>163,173</b>

The Environment	Budget	P10 Year-end	Variance	Variance	LATEST	LATEST	LATEST	LATEST
	2018/19	Forecast	2018/19	2018/19	FORECAST	FORECAST	FORECAST	FORECAST
	£000	£000	£000	%	2019/20	2020/21	2021/22	TOTAL
					£000	£000	and Beyond	£000
<b>Local Transport Plan:</b>								
- Structural Carriageway/Bridgeworks	30,611	30,551	-60	0%	21,551	22,851		75,013
- Integrated Transport	1,441	1,282	-159	-11%	2,356	2,405		6,202
<b>Major Schemes: Infrastructure</b>								
- Regeneration £23 million total allocation:-								
- Cutting Congestion					1,500	1,500	2,000	5,000
- A38 / A4104 Staggered Junction Upton								
- Evesham Town Centre								
- Bromsgrove Town Centre								
- Hoobrook Roundabout, Kidderminster								
- Railway Stations Upgrades / Extra Parking					1,000	2,900	1,100	5,000
- Next Generation Economic Game Changer Sites					500	2,000	1,500	4,000
- Walking and Cycling Bridges					2,420	1,080	500	4,000
- River Severn - Keepax to Gheluvelt Park								
- River Severn - Sabrina Bridge refurbishment								
- Town Centre Improvements					800	800	900	2,500
- Evesham								
- Redditch								
- Stourport								
- Worcester								
- Local Members Highways Fund					1,250	1,250		2,500
- Worcestershire Intelligent Transport Systems	220	235	15	7%				220
- Green Deal Communities	40	40			430			470
- Eastham Bridge	56	56						56
- Pavement Improvement Programme	3,510	3,510			1,000			4,510
- Cutting Congestion Programme	3,000	1,200	-1,800	-60%	8,593			11,593
- Highway Flood Mitigation Measures	3,946	4,531	585	15%	750	150		4,846
- Worcester Transport Strategy	301	331	30	10%	400			701
- Hoobrook Link Road - Pinch Points	298	5	-293	-98%				298
- Public Rights of Way	250	310	60	24%				250
- A4440Toucan to W6	197	470	273	139%				197
- Highways Capital Maintenance Costs	1,000	1,000			1,000	1,000	3,000	6,000
- Capitalisation of staff costs	500	500			500	500	500	2,000
- Highways Strategic Investment Fund					750	750	500	2,000
- Completion of Residual Schemes	164	455	291	177%				164
- Vehicle Replacement Programme	813	776	-37	-5%	575	480		1,868
- Street Column Replacement Programme	2,592	2,592			1,458	100		4,150
- Highways Minor Works					200	200		400
<b>TOTAL</b>	<b>48,939</b>	<b>47,844</b>	<b>-1,095</b>	<b>-2%</b>	<b>47,033</b>	<b>37,966</b>	<b>10,000</b>	<b>143,938</b>

Health and Well-Being	Budget	P10 Year-end	Variance	Variance	LATEST	LATEST	LATEST	LATEST
	2018/19	Forecast	2018/19	2018/19	FORECAST	FORECAST	FORECAST	FORECAST
	£000	£000	£000	%	2019/20	2020/21	2021/22	TOTAL
					£000	£000	and Beyond	£000
<b>Major Schemes:</b>								
- Capital Investment in Community Capacity/ Specialised Housing	3,112	1,440	-1,672	-54%	980			4,092
- Investment in New Technologies in Care	1,967		-1,967	-100%				1,967
- Care Act Capital	165	165						165
- ICES equipment purchase	440	440						440
- Social Care Case Management System Replacement	1,000	1,647	647	65%	2,100			3,100
- Capitalised Transformation Costs	397		-397	-100%	403	408		1,208
- Capital funding utilisation	250		-250	-100%	250			500
- A&CS Minor Works	186	186			100	100		386
- Social Care Performance IT Enhancement	789	333	-456	-58%				789
<b>TOTAL</b>	<b>8,306</b>	<b>4,211</b>	<b>-4,095</b>	<b>-49%</b>	<b>3,833</b>	<b>508</b>		<b>12,647</b>

Efficiency and Transformation	Budget	P10 Year-end	Variance	Variance	LATEST	LATEST	LATEST	LATEST
	2018/19	Forecast	2018/19	2018/19	FORECAST	FORECAST	FORECAST	FORECAST
	£000	£000	£000	%	2019/20	2020/21	2021/22	TOTAL
					£000	£000	and Beyond	£000
<b>Major Schemes:</b>								
- Digital Strategy	1,129	1,401	272	24%	1,900	3,000	3,000	9,029
- Repair and Maintenance of a Longer Term Benefit (And BUoP)	2,005	652	-1,353	-67%	900	900		3,805
- Energy Efficiency - Spend to Save	848	664	-184	-22%				848
- Stourport Library/ Coroners Relocation to Civic Centre	18		-18	-100%				18
- Capitalised Transformation Costs	483		-483	-100%	5,000	5,000	5,000	15,483
- Revenue Maintenance Costs	100		-100	-100%	100			200
- Property, IT and Facilities Management	350		-350	-100%	1,050	1,000	1,000	3,400
- Completion of Residual Schemes	110	97	-13	-12%				110
<b>TOTAL</b>	<b>5,043</b>	<b>2,814</b>	<b>-2,229</b>	<b>-44%</b>	<b>8,950</b>	<b>9,900</b>	<b>9,000</b>	<b>32,893</b>

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