

Agenda

Cabinet

Thursday, 26 September 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 3rd party of your member or election expenses
- Any **contract** for goods, services or works between the Council and you, a firm where you are a partner/director, or company in which you hold shares
- Interests in **land** in Worcestershire (including licence to occupy for a month or longer)
- **Shares** etc (with either a total nominal value above £25,000 or 1% of the total issued share capital) in companies with a place of business or land in Worcestershire.

NB Your DPIs include the interests of your spouse/partner as well as you

WHAT MUST I DO WITH A DPI?

- **Register** it within 28 days and
- **Declare** it where you have a DPI in a matter at a particular meeting
 - you must **not participate** and you **must withdraw**.

NB It is a criminal offence to participate in matters in which you have a DPI

WHAT ABOUT 'OTHER DISCLOSABLE INTERESTS'?

- No need to register them but
- You must **declare** them at a particular meeting where:
You/your family/person or body with whom you are associated have
a **pecuniary interest** in or **close connection** with the matter under discussion.

WHAT ABOUT MEMBERSHIP OF ANOTHER AUTHORITY OR PUBLIC BODY?

You will not normally even need to declare this as an interest. The only exception is where the conflict of interest is so significant it is seen as likely to prejudice your judgement of the public interest.

DO I HAVE TO WITHDRAW IF I HAVE A DISCLOSABLE INTEREST WHICH ISN'T A DPI?

Not normally. You must withdraw only if it:

- affects your **pecuniary interests** **OR**
relates to a **planning or regulatory** matter
- **AND** it is seen as likely to **prejudice your judgement** of the public interest.

DON'T FORGET

- If you have a disclosable interest at a meeting you must **disclose both its existence and nature** – 'as noted/recorded' is insufficient
- **Declarations must relate to specific business** on the agenda
 - General scattergun declarations are not needed and achieve little
- Breaches of most of the **DPI provisions** are now **criminal offences** which may be referred to the police which can on conviction by a court lead to fines up to £5,000 and disqualification up to 5 years
- Formal **dispensation** in respect of interests can be sought in appropriate cases.

Cabinet

**Thursday, 26 September 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	Apologies and Declarations of Interest	
2	Public Participation 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 25 September 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	Confirmation of the Minutes of the previous meeting The Minutes of the meeting of 5 September 2019 have been previously circulated	
4	Future Provision of Overnight Unit-based Short Breaks for Children with Disabilities	1 - 14
5	Worcestershire Education and Skills Strategy 2019-2024	15 - 20
6	Children's Social Care - Ofsted Inspection update and Priorities for further Improvement	21 - 28
7	Resources Report - Revenue and Capital Budget Monitoring - Month 4 (31 July) 2019/20	29 - 40

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

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

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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.

CABINET
26 SEPTEMBER 2019**FUTURE PROVISION OF OVERNIGHT UNIT-BASED SHORT
BREAKS FOR CHILDREN WITH DISABILITIES****Relevant Cabinet Member**

Mr A C Roberts

Relevant Officer

Director of Children, Families and Communities

Local Members

Mr N Desmond

Mr S Mackay

Mr L Mallett

Ms T Onslow

Mr P Tuthill

Recommendation

- 1. The Cabinet Member with Responsibility for Children and Families recommends that Cabinet:**
 - (a) notes the information relating to short breaks respite provision for children with disabilities contained in this report, including the results of the consultation on the proposed model for the delivery by Worcestershire Health and Care NHS Trust (the Trust) as outlined in paragraphs 23 - 32 below and Appendix 1 attached;**
 - (b) agrees the future model for the delivery by the Trust of short breaks provision outlined in paragraphs 19 – 22 below; and**
 - (c) authorises the statutory Director of Children's Services to take all appropriate steps to implement that future model, including varying the contractual arrangements with the Trust as necessary to implement the changes, and any future variation to the commissioned provision, to ensure the Council continues to meet its sufficiency duty in relation to the provision of short breaks.**

Background

- 2. This report updates Cabinet on the outcome of the consultation on the proposed model for the delivery by Worcestershire Health and Care NHS Trust (WHCT) of overnight short breaks for Children and Young People. It seeks agreement to the implementation of the proposed model.**

3. The findings and recommendations in this report have considered the decisions of Cabinet in July 2018 including those relating to the Cabinet Member with Responsibility response to the Children and Young People Scrutiny Task Group report “Future provision of Overnight Unit-Based Short Breaks for Children with Disabilities” and in June 2019 to carry out a consultation. Cabinet is referred to previous reports on the topic including the 14 December 2017, 12 July 2018 and 6 June 2019 Cabinet reports.

4. Schedule 2 to the Children Act 1989 and the Breaks for Carers of Disabled Children Regulations 2011 require local authorities to provide services which are designed to give respite breaks for parents and carers of children with disabilities in order to assist them to continue to provide care or to do so more effectively.

5. Regulation 4 of the 2011 Regulations states that: “In performing their duty a local authority must provide, so far as is reasonably practicable, a range of services which is sufficient to assist carers to continue to provide care or to do so more effectively.”

6. Short breaks are part of a continuum of services which support children in need and their families. Local authorities must provide, as appropriate, a range of provision including day and overnight care as well as educational or leisure activities for disabled children outside their homes. Short breaks take place in the child’s own home, the home of an approved carer, or in a residential or community setting.

7. The duties on local authorities in relation to short breaks for individual disabled children and families can be summarised as follows:

- Duties to assess (both the child and their parent carer(s))
- Duties to decide, subsequent to the assessment, whether it is necessary to provide short breaks
- Duties to provide short breaks sufficient to meet needs where the decision is that it is necessary to do so, taking account of both the child's needs and the wider family context.

8. All disabled children are considered to be a child 'in need' (see section 17 of the Children Act 1989) and therefore the Council has a general duty to safeguard and promote their welfare by providing a range and level of services appropriate to their needs. If a disabled child or their parent requests an assessment then there is a duty to assess in each case, including any needs for carer support.

9. The National Health Service Act 2006 (as amended) states that a primary duty on Clinical Commissioning Groups (CCGs) is to commission healthcare services “to such an extent as it considers necessary to meet the reasonable requirements of the persons for whom it has responsibility.” A specific duty rests with CCGs to assess for and meet continuing care needs for children, in line with a national framework. Packages of care for such needs which cannot be met from ordinarily commissioned services will be agreed in discussion with the parent/carer.

10. There are important co-operation duties on local authorities and CCGs including:

- the Children Act 2004 which requires local authorities and health bodies to co-operate to safeguard and promote the welfare of children in their area

- the National Health Service Act 2006 which requires NHS bodies and local authorities to co-operate to advance the health and welfare of their populations
- the Children and Families Act 2014 which imposes a range of duties in relation to co-operation including a requirement for joint commissioning arrangements to be in place.

11. From the age of 18, adults with disabilities who are eligible for Council-funded services under the Care Act 2014 can receive "replacement care", also known as "respite" from caring or "short breaks". This is the support provided to an individual due to a carer having a break from their usual caring role, and usually involves overnight care for one or more nights. These can be planned breaks or short notice in emergency situations. Planned replacement care is identified in an individual's needs assessment and support plan, which sets out the number of nights of replacement care required for that individual per year. Planning the transition from children's short breaks to adults' replacement care provision is an important part of a young person's transition into adulthood.

Commissioning of short breaks provision in Worcestershire

12. Improving outcomes for vulnerable children and young people, which includes those with a special education need and/or a disability (SEND), is a key priority within the Children and Young People's Plan.

13. Worcestershire's Strategy for Children with Special Educational Needs and Disabilities and Worcestershire Local Area SEND Action Plan recognise the need for improved joint assessment of children and young people's needs, the need to build better relations with parent carers and the need to improve joint commissioning arrangements including the provision of personalised budgets and better joint planning and preparation for the transition into adulthood. The five key workstreams of the Action Plan, which are informing the design of a range of services which is sufficient to assist carers, are:

- The Local Offer
- Embedding the graduated response
- Assessment and planning
- Joint Commissioning and Leadership, and
- Workforce and Engagement.

14. In Worcestershire a range of short breaks are available, including community-based provision (including holiday and term-time play-schemes) to specialist services including residential (unit-based) and family-based overnight and weekend care.

15. Commissioning of short break provision must have regard to the needs of carers who would be unable to continue to provide care unless breaks from caring were given to them, as well as the needs of those carers who would be able to provide care more effectively if breaks from caring allowed them to undertake education, training or any regular leisure activity, meet the needs of other children in the family more effectively, or carry out day to day tasks which they must perform in order to run their household.

16. Short breaks in themselves should:

- Help to support a child or young person's social and emotional development
- Help to support a child or young person learn new skills
- Provide a child or young person with new experiences
- Promote the welfare and safeguard children and young people.

17. The report to Cabinet in June 2019 detailed the range of short break provision currently available to families with Children with Disabilities in Worcestershire, the results of co-design activity with families, and the impact of re-commissioning activity during 2018.

Consultation on the future delivery of overnight short breaks by the Trust

18. Cabinet considered a proposal for the future model of delivery of overnight short breaks by the Trust in June 2019 and authorised the Director of Children, Families and Communities to carry out a consultation on the proposed changes as detailed in the consultation pack at Appendix 1.

19. The proposed model is based on a proposal by the Trust to develop the Osborne Court campus in Malvern to create 4 more bedrooms for children in the unit currently used for adults of which 2 beds would be commissioned by the Council and 2 would be for other commissioners to buy. To enable this change the Trust propose refurbishing two currently unused bungalows on the same site to create a unit for adults with 5 bedrooms.

20. The proposed delivery model does not include the use of the Trust-run Ludlow Road short breaks unit in Kidderminster thus leading to the closure of the unit if the proposed model is agreed.

21. The proposed investment into the site in Malvern by the Trust is significant and involves a reconfiguration of accommodation resulting in two children's units located next to each other and the adult service moving into the refurbished bungalows. A further additional single occupancy unit is currently available for those children and young adults with the most challenging behaviours who require a service on their own. This unit has previously been designated as children's provision only (and is subject to Ofsted registration) but in the future young people reaching the age of 18, with an assessed need for respite provision, will be able to be funded by adult services to continue to use the provision during transition. This change has already been implemented for current users of the service, where appropriate, as they reach 18.

22. As stated above, the proposed future delivery model does not include delivery at the short breaks unit in Ludlow Road, Kidderminster, which would result in current users of the service accessing short breaks at alternative overnight provision in units or family-based support. The proposed additional beds at Providence Road in Bromsgrove (approved July 2018) and at Osborne Court in Malvern would provide equivalent replacement provision (24 bed nights per week compared to Ludlow Road's 20 bed nights per week) and flexibility to meet future demand. There are 18 families currently accessing Ludlow Road who will require an alternative provision from April 2020 whose future needs have been assessed during the consultation and one family who will be in transition to adult provision (as appropriate) by April 2020.

Summary of consultation process and analysis of responses

23. The consultation was open from 14 June 2019 to 1 August 2019; however feedback continued to be collected after the end of the consultation to ensure that all families could ask questions and comment on the proposals. Several different options were available to professionals and families wishing to comment on the proposals, responding to feedback on previous consultations that indicated a range of preferences. This included a request for drop-in sessions which were facilitated across a number of days and locations. Feedback was gathered in the following ways:

- Online and printed survey
- Consultation drop-in sessions
- One-to-one conversations with families.

24. Details of the on-line survey responses are at Appendix 2 and included in the summary and analysis below.

25. Four drop-in sessions were held throughout July with representatives from the Council's Children's Services and the Trust. Three drop-in sessions were held at Ludlow Road Short Breaks Unit (two on a weekday and one on a weekend) and one weekday drop-in session at Perdiswell Young People's Leisure Club in Worcester. The drop-in sessions enabled families to have the proposals explained in more detail, ask any questions, share thoughts and feedback and have one-to-one conversations if required. These sessions were available for any family to attend but only those who access Ludlow Road Short Breaks Unit came along. A total of five families attended the drop-in sessions with some families attending more than one session.

26. A number of families requested one-to-one conversations about the proposals either face-to-face or over the phone. Other families spoke directly to their social worker or short breaks review worker to ask questions and give their feedback on the proposals and preferred alternative overnight short break provision. All families currently accessing Ludlow Road have been contacted in at least one of the above ways and are aware of the proposals, and all comments and feedback have been fed into the consultation. The support received at Ludlow Road is highly valued by families and those who currently access the unit do not want it to close. Families value the 'home from home' feel of Ludlow Road as well as the relationships that staff have built up with children and the whole family.

27. The key concerns about the proposals that were raised by families currently accessing Ludlow Road are summarised below, together with a response and an analysis of the potential impact on families of the proposal to close Ludlow Road:

Concern	Response and analysis of impact on families
<p>There will be a lack of provision in the north of the county – now and in the future as the population grows</p>	<p>Overnight short breaks would continue to be delivered in a number of locations including unit-based provision in Kidderminster, Bromsgrove, Malvern and Worcester (purchased provision at Acorns Hospice) and family-based across the county. All units provide services to children and young people based on the suitability of the provision and ability to meet needs as well as their geographic location.</p> <p>The proposed delivery model has an overall increase in the availability of provision (total number of bed nights per week) and the flexibility to commission further beds at Osborne Court if required to meet need in the future. Therefore, the potential impact on the availability to current and future families of appropriate provision by ceasing the use of one unit in the north of the county is minimal (see also travel concerns below).</p>
<p>The travel distance to alternative units would increase for some families. This would impact on:</p> <ul style="list-style-type: none"> • Respite time for the family due to the time it would take to take/collect children at weekends and holidays which would reduce the break for families. A small number of families choose to deliver feeds to the unit during respite stays as they live nearby. • Meaningful respite for the family, some families would be concerned about the distance they are away from the children in case of emergencies which would impact on 	<p>The overall impact on travel distance (and therefore time) of the proposals has been calculated, based on the assessed alternative provision for each impacted family accessing Ludlow Road provision.</p> <p>Analysis shows that for two families the travel distance from school to the proposed alternative unit is shorter but the distance to home is longer, for two families the travel distance from both home and school to the proposed alternative unit is longer, and for fourteen families the proposed alternative unit is closer to both home and school.</p> <p>Travel distance has been taken into account in identifying suitable alternative provision for each family accessing provision at Ludlow Road currently.</p> <p>Where there is an identified negative impact on travel distance from home to the alternative unit an assessment of the need for travel support is being completed. There are no circumstances where a parent is required to routinely deliver food or medicines to the unit during an overnight stay.</p>

<p>them being able to rest and relax</p> <ul style="list-style-type: none"> • Health and happiness of the child – some children become very unsettled when travelling or can't travel long distances due to their health needs 	<p>Concerns about the distance away from home in an emergency are understood however staff at the units are trained to deal with emergencies arising from the health needs of children and young people, including where necessary arranging for hospital admission.</p> <p>For families who are eligible for school to home transport this is replaced by school to unit transport on days that the child or young person travels directly between the unit and school. A small number of families are not eligible for school to home transport and in each of these cases a separate assessment relating to travel support is being completed.</p> <p>Fourteen families live closer to the alternative unit identified and therefore the impact on meaningful respite provision will not be negatively impacted for these families.</p> <p>Four children/young people will have a longer journey to/from home to unit and of these two will also have a longer journey to/from home to school as well. The choice of alternative provision has taken careful consideration of the health impacts of these longer journeys and the future planning of provision (eg days of the week etc) will seek to minimise the impact.</p> <p>Overall the impact on travel and related concerns is positive for the majority of families and on balance the negative impact for the remainder can be managed by careful planning and assessment of travel support needs.</p>
<p>Transitions (moving to another unit) can be very difficult for the child and whole family</p>	<p>It is recognised that changes in provision can be difficult for the children and young people accessing overnight provision and their wider families. Careful planning of transitions, tailored to the individual needs of each family will help to mitigate the impact.</p> <p>Alternative provision is, in the main, managed by the same Trust (with the potential for some staff transferring to the new provision minimising the impact of change) or directly managed by the Council therefore supporting close working between the unit managers and the Children with Disabilities team.</p>

	<p>Whilst there would be some short-term impact of transitions the longer term benefits of the proposals include increased adult provision at Osborne Court (so supporting a transition on the same site for more young people, based on assessed need for replacement care) and the creation of a stable, resilient, sustainable and responsive service for families that is not under constant review.</p>
<p>Providence Road would not have the nursing staff that Ludlow Road and Osborne Court currently has – families were concerned that the needs of some children could not be met at Providence Road</p>	<p>The consideration (by social care professionals and families) of the health and care needs of each child and young person accessing Ludlow Road, and impacted by the proposals, has informed the identification of suitable alternative unit or provision. Other factors such as travel distance and family preferences have also informed decision making where more than one unit is suitable.</p> <p>The alternative provision identified is as follows:</p> <p>10 CYP – Providence Road 7 CYP – Osborne Court 1 CYP – other, due to health needs.</p> <p>Staff at Providence Road are trained and supervised to meet the health needs of the children and young people who attend their unit and this training (which is specific to each child for some procedures) is in place prior to any child or young person attending the unit.</p> <p>In summary this concern has been addressed in the assessment of need, individual planning for each child and young person and in conversation with families.</p>
<p>Consultation and change causes a lot of stress for families</p>	<p>This is recognised and the proposed model has been developed in order to support the development of a service that is stable, resilient, sustainable and responsive for families and is not under constant review.</p> <p>Transition plans that address the individual needs of families during the implementation of the proposed changes (if agreed) will seek to mitigate the impact of change.</p>
<p>The proposal by Acorns to close Walsall Children's Hospice, and changes to the</p>	<p>The proposal to close the Walsall Acorns Hospice has been suspended by Acorns, at the moment. The Council and CCG are in close contact with Acorns</p>

<p>eligibility criteria at Acorns in Worcester will impact on the amount of short break units needed across Worcestershire.</p>	<p>regarding their proposals and will work with Acorns to understand the impact on the Worcester hospice should the proposals be reinstated in the future.</p> <p>Changes to criteria for overnight provision at Acorns in Worcester have already been implemented by them and as a result where there is an assessed need for overnight provision from the Council this has been provided within the current system.</p> <p>As noted elsewhere the proposed delivery model would result in increased capacity in the system and the ability for the Council to commission additional provision from the Trust in the future if this is required.</p> <p>The impact of the changes at Acorns are therefore considered to be managed within the proposals.</p>
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28. Positive feedback on the proposals was also received from families:

- The facilities at other units are good – particularly the hydro-therapy pool at Osborne Court
- Alternative units are closer to school and home for some families and better suited to some children's needs – a number of families wish to move to alternatives as soon as possible
- Staff at alternative units have been very welcoming when families visited and some families feel reassured that alternative units could meet their child's needs
- The information provided as well as the opportunity to speak to someone face-to-face about the consultation and proposals has been well received
- The proposed creation of extra beds per night to offer more respite is good – it makes sense to have different options and choices as having choice is really important to some families.

29. During the consultation social care professionals and families have worked together to further understand the best alternative option for the provision of overnight short breaks for each family currently accessing the unit at Ludlow Road, should the proposals be agreed, by clearly assessing the needs of families to ensure that the alternative provision identified would meet the health and care needs of the child or young person, and provide a meaningful break to carers.

30. The analysis of the sufficiency of alternative provision should Ludlow Road close, based on the identified alternative provision for each family, following assessment and discussion with families is set out in Appendix 3 to this report. This clearly shows that the needs of all families accessing Ludlow Road and impacted by the proposals (18 families) can be met by the alternative provision which would be available.

31. The Trust have responded to the positive comments about the 'home from home' feel at Ludlow Road, and some questions raised about the practical considerations of

the reconfiguration at Osborne Court, by undertaking to work with families on any particular considerations when finalising the décor and furnishing of the Osborne Court provision and the operational detail of operating as one service in two separate units on the Osborne Court site. The Trust has also confirmed that operationally they will continue to work with the Council on the staffing structure and configuration of Osborne Court to optimise the site and to ensure families continue to receive a consistent offer in line with assessed need. This will ensure that a cost effective service is delivered that is able to flex to meet current and future demand.

32. Based on the detailed consideration of the proposals, consultation responses and the assessment of need of affected families, it is the view of the professionals responsible for the provision of a sufficiency of meaningful short breaks, that the proposed delivery model can meet the assessed needs of impacted families and would deliver a service that is stable, sufficient and flexible to changing needs of the population in the future. The negative impact of the change process for some families can be mitigated by careful planning and management of the transition process and is felt to be justified in view of the improvements to the service that will result.

Financial Implications

33. The Council's 2019/20 Base Budget for Children's Replacement Care is £2.331m. This includes additional funding of £0.540m approved by Council in February 2019 to rebase the budget to reflect current replacement care costs and to remove a shortfall in the Children's Budget following the withdrawal of Public Health Ring-Fenced Grant funding for Ludlow Road.

34. The following table sets out the financial impact of the proposed option including:

Current Costs - The current budgeted costs of replacement care in 2019/20 broken down by provision type.

No Change - The forecast impact of making no change to the current configuration of Trust delivered provision for which the implications would be:

- Current costs reflect the budget for this provision for 2019/20; however the Trust have indicated that without any change to the delivery model there would need to be an increase in costs in future years to cover the costs of delivery across two sites. This equates to an increase in costs of £0.113m, in order to meet the existing cost of service (currently £68k more than income from the Council) and additional NHS pensions and pay award pressure from 2019/20, and
- Refurbishment costs at Ludlow Road are not included and are likely to be higher than £0.3m estimated in 2018 due to OFSTED requirements.

Proposed Costs - The proposed cost of the revised delivery model which, if agreed, would result in a net cashable saving against 2019/20 budget of £0.124m based upon:

- A reduction in the cost of Trust unit-based provision of £0.287m compared with current costs and £0.4m compared to 'no change' position

- The proposed contract value supporting the Trust investment of approximately £0.6m
- The estimated increased costs of £0.150m to fund additional provision at the Council-run Providence Road (based on 2018 estimate), and
- Additional Support costs of approximately £0.013m.

	Current costs	No Change	Proposed costs
WHCT unit based provision	£1,043k	£1,156k	£756k
WCC provision	£931k	£931k	£1,081k
Additional support costs and alternative provision (Thorn Lodge)	£140k budget	£140k budget	£153k
Family based	£217k	£217k	£217k
Totals	£2,331k	£2,444k	£2,207k

Legal Implications

35. The statutory context is set out above. In summary, the statutory duty to provide short break provision is contained in Schedule 2 to the Children Act 1989 and the Breaks for Carers of Disabled Children Regulations 2011 which require local authorities to provide services which are designed to give respite breaks for parents and carers of children with disabilities to assist them to continue to provide care or to do so more effectively. The Council must also comply with its Public Sector Equality Duty (PSED) in making decisions concerning persons with a Protected Characteristic such as disability (the PSED details have been frequently set out in previous reports, and see paragraph below). The Children Act 2004 also sets a general target for the Council to discharge its functions having regard to the need to safeguard and promote the welfare of children.

HR Implications

36. There are no direct HR implications for the Council arising directly from this report. Worcestershire Health and Care NHS Trust continue to work with their staff regarding any implications in relation to the provision of overnight short breaks.

Equality and Public Health Impact Assessments

37. A combined Equality and Public Health Impact Assessment of the proposals has been completed and the potential impact of the proposals are addressed within the body of this report in paragraphs 25 – 30. The assessment is at Appendix 4 to this report.

Privacy and Data Protection Impact Assessments

38. No implications identified.

Risk Implications

39. Risks identified include:

- No change – the costs of provision would rise and the benefits to be gained from the changes at Osborne Court would not be realised
- No decision – would cause further uncertainty and concern for families
- Delays – any delay to the refurbishments at Osborne Court would lead to a delay in de-commissioning Ludlow Road. The risk will be mitigated through careful planning of the works and effective plans being developed by the Trust and the Council for the transition of families to the alternative provision.

Equality and Diversity Implications

40. The Council is fully aware of its Public Sector Equality Duty obligations as set out in numerous reports to Cabinet. We have determined that a detailed Equality Impact Assessment in respect of the proposed delivery model is beneficial and this is included as Appendix 4 to this report.

Supporting Information (available electronically only)

Appendix 1: Consultation pack

Appendix 2: Summary of responses received

Appendix 3: Analysis – alternative provision and travel distance

Appendix 4: Combined Equality and Public Health Impact Assessment

Contact Points

County Council Contact Points

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Specific Contact Points for this report

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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:

Agenda papers for the meetings of the Cabinet held in July 2015, 16 May 2016, 14 December 2017, 14 June 2018, 12 July 2018 and 6 June 2019

Children and young people's continuing care [national framework](#).

[Worcestershire Strategy for Children and Young People with Special Educational Needs and Disabilities](#)

[Worcestershire Local Area SEND Action Plan](#)

Worcestershire's [short breaks](#) offer

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CABINET
26 SEPTEMBER 2019**WORCESTERSHIRE EDUCATION AND SKILLS STRATEGY**
2019-2024

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) approves the Education and Skills Strategy 2019-2024 on behalf of the Council; and**
 - (b) notes that a progress update will be provided in 12 months as part of the annual report from Worcestershire Children First.**

Background

2. The development of the Education and Skills Strategy began in August 2018 with the creation of the Education and Skills Strategic Group, whose purpose was to co-produce the Strategy. The Group included headteachers from Worcestershire's first/primary, middle, secondary and special schools, representatives from further education colleges, the University of Worcester and Worcestershire's Local Enterprise Partnership and the Council.

3. Engagement with the wider community of Worcestershire will continue as Worcestershire Children First (WCF), acting as agent of the Council, prepare to work further with a wider range of educational leaders and with parents/carers on plans to deliver and implement the Strategy in the next phase of the project. WCF working as the agent of the Council will instruct and monitor Babcock to support implementation of the Strategy.

Local Context

4. According to ONS trend-based projections, the numbers of people in the county aged 0-17 is projected to increase by 3.1% in the next five years, and by 3.6% in the next ten years. The total population is projected to increase more uniformly, by 2.5% and 4.6 % over the same time periods.

5. There are 226 schools in the county (Local Authority and Academy schools combined). 115 operate as a 2-tier system (Mainstream Primary and Secondary) and

111 as a 3-tier system (First, Middle and High). In addition to the Mainstream schools there are 9 Special Schools, 4 Pupil Referral Units and 2 Alternative Provision settings and 1 Nursery School. For the Early Years sector there are 408 settings providing funded places for children age 2, 3 and 4 plus 60 Maintained Nurseries attached to Mainstream and Special Schools. (Source: Early Years Census 2019 and January 2019 School Census).

6. According to the October School Census 2018, there were 80,215 attending school in Worcestershire, of which 78,381 are in Mainstream schools, 1,491 in Special Schools, 104 in Pupil Referral Units, 138 in Alternative Provision, and 101 in Nursery School. 64% of pupils in a Worcestershire school were living in the catchment area and 4.8% of pupils are from out of county.

7. In terms of education quality, 85.6% of pupils are in a Good or Outstanding school overall. Of this figure, 85.3% of children and young people are attending good or outstanding mainstream provision. For pupils in Alternative Provision or attending Special Schools, 100% had places with good or outstanding providers. Finally, for Pupil Referral Units, 64.4% of children and young people are in good or outstanding provision.

A New Strategic Approach

8. Due to the fragmented nature of the education system nationally and in Worcestershire there is a need for an overarching vision to support improvements in educational outcomes. The Education and Skills Strategic Group has been instrumental in engaging with networks of professionals and providers to develop this vision underpinned by new ways of collaborative working.

9. The intention of the Strategy is to foster an environment of support and trust which enables professionals and front-line staff to take ownership and ensure all agencies and professionals are working together to improve educational outcomes for all children and young people.

10. Locality arrangements and thematic groups will be used for local and targeted improvement activity and the Education and Skills Strategic Group will oversee the delivery of the Strategy.

Benefits of Adopting the Strategy

11. Adopting this Strategy will benefit children and young people by:

- developing plans to improve services
- fostering a new ethos of collaborative and partnership working
- generating a drive for continuous improvement
- building skills to provide an effective workforce for Worcestershire businesses, and
- provide a more effective and responsive education system for Worcestershire, offering the Council the opportunity to become an example for other local authorities.

Strategy Objectives

12. The Education and Skills Strategy has seven objectives for improvement, each with specific activity/drivers to improve outcomes for children and young people. These are:

Objective 1: Highly motivated, well performing and ambitious schools, colleges and other education providers¹

- Education providers to be involved in sector-led, local improvement collaboratives
- Research/teaching schools will act as hubs for developing and sharing best practice.

Objective 2: A Curriculum and approach that inspires

- Education providers to ensure a broad and balanced curriculum
- Enable a wider development of skills and knowledge relevant to children and young people and specific to each district.

Objective 3: More education places in outstanding provision/children in education provision

- Maintain clarity of forecasting and use district groups to discuss forecasting and planned changes to produce district level plans
- Offer clarity regarding funding sources and requirements for financial planning, to enable the Council and education providers to collectively:
 - lobby for national capital funding from government
 - strategically plan capital grants
 - strategically plan contributions from developers and other infrastructure projects
 - identify potential community fund-raising activity
 - identify income from land sales and rentals, and
 - identify any other sources of capital contribution
- Develop county and district-wide emphasis on fair access arrangements where places are not identified/accessed.

Objective 4: Building skills for our future workforce

- Improve skills and workforce planning
- Build better relationships between businesses and schools
- Increase employability for young people
- Reduce 16-19-year olds with NEET status
- Better understand the needs of our labour market initiative
- Increase opportunities for apprenticeships
- Enhance graduate level opportunities
- Increase private sector investment in skills
- Address youth unemployment by improving identification of opportunities
- Support local recruitment at all levels

¹ Education provider refers to schools across all phases (first, middle, primary, secondary and special schools), sixth form and further education colleges.

- Support implementation of the Gatsby benchmarks² by Careers and Enterprise College.

Objective 5: Improved capacity, skills and knowledge surrounding our vulnerable learners

- Improve the educational experience and outcomes for vulnerable learners and children with SEND across all phases of education
- Support implementation of the vulnerable learners framework and the graduated response.

Objective 6: Improved Social mobility for all children and young people

- Seek to improve social mobility in districts and localities identified for improvement by drawing upon the successes of Wychavon District Council's social mobility plan
- Apply these successes in our other districts.

Objective 7: Training and the education workforce

- Establish a workforce analysis at district and county levels to provide necessary understanding of the needs of the education workforce to deliver against the plans set out in this Strategy
- Establish a new relationship with local Higher Education Institutions and Further Education colleges
- Develop a strategic relationship with funding bodies such as the Education Endowment Foundation
- Identify the training and continuous professional development requirements to successfully deliver this Strategy.

Embedding the Strategy

13. Worcestershire Children First, as agent of the Council, will oversee the implementation of the Strategy and hold stakeholders to account, including partners such as Babcock Prime, by establishing locality groups to improve collaboration between education providers within districts and across education phases. Thematic groups will be established to address specific themes identified by need to improve educational outcomes. Each thematic group will have a clear set of measurable benefits and indicators to deliver. WCF, through the Education and Skills Strategic Group, will continue to have an active role to ensure the benefits are realised.

² There are eight Gatsby benchmarks of Good Career Guidance:

1. A stable careers programme
2. Learning from career and labour market information
3. Addressing the needs of each pupil
4. Linking curriculum learning to careers
5. Encounters with employers and employees
6. Experiences of workplaces
7. Encounters with further and higher education
8. Personal guidance

Governance

14. A proposed governance structure has been developed which has been enclosed as Appendix 2. The Group will report to the Children and Young People's Strategic Partnership. The governance diagram sets out the structure for reporting and monitoring of the progress of the Strategy. Reports are used to ensure a flow of information, to explain action taken and to seek decisions required.

Legal, Financial and HR Implications

15. It is expected that the resource required to deliver this Strategy can be met from within existing Council, WCF and School budgets. There is no additional resource (either recurrent or one-off) requested for implementation. This is reflected in the budget projection for WCF.

Risk Implications

16. The risks to be considered by not adopting this Strategy are:

- (a) The education sector continues to work in a fragmented way unable to realise the benefits of developing and delivering a clear vision for education and skills for Worcestershire's children and young people;
- (b) Worcestershire does not grow the skills required to support local industries and businesses;
- (c) A fragmented approach leads to unsustainable cumulative financial pressure on education providers and the education system, impacting adversely on the long-term viability of Worcestershire's education sector.

Public Health Impact Assessments

17. A Public Health Impact Screening is to be completed.

Privacy and Data Protection Impact Assessments

18. A privacy and Data Protection Impact screening has not been deemed necessary at this time but will be addressed during the planning and implementation stage.

Equality and Diversity Implications

19. An Equality Relevance Screening has been carried out in respect of these recommendations. It identified that further equality impact analysis will be required in respect of the implementation of proposals in the Strategy. A more detailed assessment will be undertaken in respect of all Strategy-linked proposals which potentially impact the education of children and young people because they have one or more of the Protected Characteristics.

Supporting Information (available electronically only)

- Appendix 1 – Education & Skills Strategy 2019-2024
- Appendix 2 – Governance structure
- Appendix 3 – Equality Impact Screening

Contact Points

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Background Papers

In the opinion of the proper officer (in this case the Director of Children, Families and Communities) there are no background papers relating to the subject matter of this report.

CABINET
26 SEPTEMBER 2019**CHILDREN'S SOCIAL CARE – OFSTED INSPECTION
UPDATE AND PRIORITIES FOR FURTHER IMPROVEMENT**

Relevant Cabinet Member

Mr A C Roberts

Relevant Officer

Director of Children, Families and Communities

Recommendation

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

- (a) notes the Ofsted report published on 29 July 2019;**
- (b) notes the progress on service improvement; and**
- (c) endorses the recommended priorities for further improvement as set out in this report.**

Background

- 2. As reported previously, Worcestershire Children's Services was subject to a full Safeguarding Inspection in October 2016 where we were judged to be inadequate in all areas of practice. Since that time we have been subject to regular Monitoring Visits by Ofsted, the purpose of which is to monitor the improvement progress.
- 3. A total of seven monitoring visits have been conducted and a full re-inspection was completed in June 2019. This report outlines the key findings from that inspection as well as the Ofsted recommendations for further improvement.
- 4. The full inspection report, as published on 29 July 2019, is linked as Appendix 1 (available in digital form).

Key findings in the report published 29 July 2019

5. The overall finding of the inspection was that Worcestershire County Council's Children's Social Care Services are rated as *'requires improvement to be good'*. **The report notes our strong trajectory of improvement since the last inspection.** It was noted that *"effective work by senior management and staff, together with commitment and investment by political leaders, has led to improved responses to the needs of children and families. As a result, outcomes for many children and their families are better, and there is evidence of a sustained trajectory of improvement."*

6. Ofsted commented positively upon a number of areas of practice, demonstrating the progress we have made since the 2016 inspection. An overview of the positive feedback in the report is outlined below:

Children In Need of Support and Protection

- The Targeted Early Help undertaken with families is making a positive difference to their lives
- Thresholds are applied appropriately and most children receive a proportionate response to need
- Consent is understood, sought and dispensed with appropriately
- Social work assessments are comprehensive in gathering information and views of the child, parents and partners. They are up to date, completed in a timely way and they analysis risk effectively
- Decision-making at the Family Front Door is usually prompt and timely – informed decisions, with appropriate contribution of partners, are made where serious safeguarding concerns are identified and safe plans are made for children
- Effective partnership working between police and social workers for children vulnerable to exploitation means the response to these concerns is strong and the multi-agency approach to Domestic Abuse triage is effective in safeguarding children
- Social workers know their children well, they understand what life is like for them and the views of children inform assessment outcomes and plans
- Child Protection Conferences and Child In Need meetings are timely and children, families and partners are well engaged in them
- Monitoring of outcomes in child protection cases is good. When concerns reduce, cases are appropriately “stepped down” enabling the families to maintain progress with support. When concerns escalate, swift action is taken to safeguard children
- Work in the disabled children teams demonstrates an understanding of risk and the specific needs of children they work with
- Smooth transitions between Children’s and Adult Services are facilitated by work between Young Adults and Children with Disability teams
- Across the service, the new strengths-based practice model, Signs of Safety, is well embedded and used effectively with professionals and families to identify risk and measure progress
- Emergency Duty services provide effective out of hours support for children and families
- Concerns and allegations about professionals are managed well by the designated officer service
- Arrangements for Privately Fostered children are effective
- Partnership work with police, and multi-agency information sharing in response to children experiencing exploitation have improved
- The creation of Missing Children Officers has made a positive impact reducing the number of children going missing from home and care
- Social workers understand specialist areas of safeguarding and exploitation. Young People at risk of Radicalisation, Honour Based Violence and Forced Marriage are well supported
- Active responses to the rise in both children missing in education and those Educated at Home is taking place

- The Council effectively monitors and provides appropriate support and challenge to Alternative Provisions and is effectively working with schools to reintegrate pupils where this is appropriate.

Children in Care and Care Leavers

- Decisions made for children to come into care are appropriate and, where necessary, immediate action is taken to safeguard children
- Assessments for children in our care are timely and comprehensive
- Care plans for children are appropriate, comprehensive, up to date and reflect the needs of children well
- Effective parallel planning is in place for young children to ensure they achieve timely permanency
- The majority of children in care are settled, are in placements that meet their needs and are making progress
- Care planning for siblings groups is done in the best interests of children. Siblings are placed together when it is in their interests
- Children in care “benefit” from supervised family time with parents, siblings and family
- Long-term stability for most children has improved as a result of proactive management and service development to introduce “consolidation meetings”
- Looked After Child reviews are well chaired by Independent Review Officers (IRO). Records are written in a supportive meaningful way and in most cases IROs are active in ensuring quality and timeliness is identified and addressed
- Children and Young People in care are making good educational progress and this is effectively monitored by social workers and schools through Personal Education Plans
- Assessments of Foster Carers are timely, thorough and analytical
- Supervising social workers understand the needs of the children and help Foster Carers to develop the skills necessary to meet those needs
- Planning for children with a plan of Adoption is a strength. Adoption Central England (ACE) and the local authority work effectively to identify early where adoption is an appropriate permanence plan, and then find a family without delay
- Personal Advisors who support Care Leavers build positive relationships with young people and they know them well. They are aspirational for their young people and consistently encourage them to achieve in education and employment
- All Care Leavers have a Personal Advisor until they are 21 years old and the Local Authority ensure they offer services, and are in contact, with most up to the age of 25 years
- Pathway Plans for young people leaving care are detailed, up to date and have clear actions and timescales. Effective participation from young people in completing their own plans and our “plan on a page” provide a good straightforward overview
- Access to support for Care Leavers across the districts is positive and helps maintain contact and reduce isolation for these young people
- Most Care Leavers live in suitable accommodation and our outreach services engage young people in independent skills courses that are effective in increasing confidence and enable them to progress through stages to independent living.

The Positive Impact of Leaders on social work practice

- Since October 2016, the Council has made considerable progress in improving the quality of services to children and families; essential steps have been taken to meet the goals of the service improvement plan and Corporate Parenting has been strengthened
- The combination of restructure of services, focused investment and the “end to end” approach of service improvement has ensured changes are embedded in core practice and the trajectory for further improvement is established
- The Quality Assurance system has established a range of performance information that allows senior managers to better understand practice
- Effective improvement work has strengthened the workforce, meaning:
 - We now have stability and permeance in recruitment and retention
 - There are career opportunities within the structure of the service, with clear lines of career progression for staff
 - We have implemented Signs of Safety, a strength-based model of intervention
 - We can evidence, through Key Performance Indicator performance (KPI), reduced caseloads overall.
- As a result, staff are positive about working for Worcestershire, as demonstrated in the Social Work Health Check staff survey
- Good Strategic Partnerships have created conditions for improvement in practice and reputation in the local Judiciary. This has enabled the development of an encompassing “Get Safe” strategy to address exploitation.

Suggested Priorities for further improvement

7. The above paints a positive picture and demonstrates the impact of the improvement journey since 2016. **We are no longer an inadequate authority.** There remains work to be done in order for us to continue our work to achieve full consistency in high quality services for all children, and as such, the inspection report also outlines areas where challenges still exist. These areas are outlined below:

- Comprehensive analysis in assessments, effective use of chronologies and family-friendly, outcome-focused plans are not yet in place all the time for all children
- Team Managers and Independent Chairs are not always proactive or effective in identifying and improving quality or timeliness in all cases
- Robust case management and timely reflective supervision is not yet in place for all social workers all the time
- Partnership working in Early Help is not yet sufficiently robust to ensure all partners take active leadership roles in the provision of early help interventions
- Joint Commissioning of Mental Health Services with Public Health has not yet resulted in a clear pathway or priority of intervention for children in care or care leavers
- Accommodation for Care Leavers and those at risk of homelessness is not yet meeting demand and need and there is still reliance on Bed and Breakfast in the absence of anything more suitable being available
- Support services to prevent care and sufficiency of placements for young people with the most complex needs who do need to enter care are not yet meeting demand and needs.

8. The areas that need to improve as set out in the July 2019 Ofsted report are:

- The quality of intervention with families where there is a risk that children may be received into care if the right support and guidance is not available
- Assessments of need for 16- and 17-year-olds who present as homeless, including whether they should come into the care of the local authority. Young people should be told clearly about this option
- The timely availability of family support when children have a plan to leave care and return home
- Learning from the breakdown of placements for children by the holding of timely disruption meetings
- The availability of a dedicated pathway to the provision of mental health services for children in care
- The provision of personal assistants for care leavers when they reach the age of 17
- The availability of suitable accommodation and timely interventions that ensure that care leavers, including those aged over 18 years, are not placed in bed and breakfast accommodation or become homeless.

Commitment to Continuous Improvement

9. Our Service Improvement Plan (SIP) has defined and driven our service improvement activity following the Ofsted inadequate judgement in October 2016. The plan was regularly reviewed and updated to reflect progress and work completed.

10. Following our “Requires Improvement to be Good” judgement it is important we make the cultural shift with staff and partners into our next phase of service delivery. In this phase we will focus on sustaining the progress made thus far, ensuring we have consistency in our recognised good practice and in continuing to develop and improve services as a “Continuous Learning” service.

11. Our aims and objectives are set out in the Worcestershire Children First Service Interim Business Plan (see Cabinet agenda for 5 September 2019 meeting for the full plan) and cascaded into directorate and service area-based plans.

12. The Social Care and Safeguarding Directorate Service Plan is summarised in our plan on a page (see Appendix 2). The plan shows the key areas which the leadership team will address at a strategic level around the edge, namely: workforce and culture; Ofsted inspections and focused visits; a directorate level quality assurance programme; and contribution to the Worcestershire Safeguarding Children Partnership.

13. In the centre of the plan each service area has sections outlining the high level focus areas. These are structured under three key themes:

- (a) Ofsted Recommendations and areas for improvement – based on the findings from the June 2019 inspection as outlined in this report;
- (b) Business Development and Service Improvement Plans – the priority areas for service improvement, some of which continue from the former Service Improvement Plan. In this section, each service area also has reference to: a quality assurance programme to manage and monitor continuous improvement and evidence impact and outcomes for children and families; and financial

management savings and efficiencies to ensure opportunities for efficiencies are identified and progressed.

(c) Innovation – this section is for new transformational activities

14. Sitting under the plan on a page, each service area will develop a detailed plan setting out the outcomes, activities with owners and timescales, what good looks like and KPIs for each area of the top level plan. These detailed plans will be managed by the Assistant Directors to ensure effective delivery against the high level outcomes.

15. We have a range of tools to help us monitor performance against our objectives, from live case data used by individuals and front-line managers to weekly, monthly and quarterly performance reports used by managers to analyse service delivery and impact and report to senior leadership and strategic stakeholders. An outline of these reports is included in Appendix 3. Also included as Appendix 4 is our most recent quarterly performance report, quarter 1 2019/20.

16. From 1 October 2019, Worcestershire Children First (WCF) will be accountable for delivering continuous improvement. The Quality Assurance and Monitoring arrangements for the company are set out in the WCF Interim Business Plan. Our framework will continue to be based on three core principles:

- A continuous focus on service improvement at all levels of the organisation
- Embed a culture of learning from quality assurance and performance management
- Know the difference we are making to the lives of Children and Young People.

17. Monitoring of performance and progress will take place through the Key Performance Indicators (KPIs). A number of KPIs will be monitored covering all service areas of the Company reflected in the Service's Specification including social care, early help and education. These will be monitored monthly, quarterly or annually as set out against each KPI and set out against any future or amended KPIs. KPIs will be reviewed jointly by the Council and the Company as part of the Annual Review.

Legal, Financial and HR Implications

18. No Legal implications to be considered.

19. A Growth Proposal for 'Getting to Good' was discussed and agreed at 2018 Corporate Strategy Planning and incorporated into the Children, Families & Communities budget for 2019/20. It is expected that the work on further improvements will be completed from this existing resource, with no additional investment requested at this stage. The Interim Business Plan for Worcestershire Children First, as approved by the DfE, was agreed at Cabinet on 5 September 2019, and highlighted the demographic pressures for the company for 2020/21 and indicative contract sums for the following two years. The budget has therefore been set, aligning with the Council's budget setting process, with no additional financial implications for the proposals set out in this report.

20. There are no foreseen negative HR implications of this report. The Children's Social Care Workforce Steering Group was formed out of the former Service Improvement Plan in 2017. HR are heavily involved in this group, actively participating in the meetings, and

leading on many of the supporting components. This work feeds into the overall Workforce and Culture aims and imperatives for WCF. The work achieved in the Workforce group to date has seen staff permanency increase, vacancies decrease, and staff feeling more valued. As such, the HR implications from this report, and continuing focus on workforce and culture, would be seen as having a positive effect on the workforce.

Privacy and Public Health Impact Assessments

21. Information, risk and privacy screening has been carried out and identified no potential concerns.

22. Public Health Impact Screening identified no potential concerns.

Risk Implications

23. The risk to consider is the risk that improvements are not achieved, and we fail to deliver an effective safeguarding service, leading to an “Inadequate” rating from Ofsted. There is a risk to children and young people in that there may be an escalation of need/risk, increase in children suffering significant harm and/or being in need of Local Authority accommodation. There is also a reputational risk to the Council which could lead to a loss of confidence from the public and our partners.

24. As outlined above, our trajectory of improvement is strong. We are no longer an inadequate authority, we are a strong “required improvement to be good” authority. Therefore, this risk is reducing. We will continue to drive forwards continuous improvement and monitor progress.

Equality and Diversity Implications

25. An Equality Relevance Screening has been completed in respect of these recommendations. The screening did not identify any potential Equality considerations requiring further consideration during implementation.

Supporting Information (digital versions only)

- Appendix 1 – Ofsted Inspection of Children’s Social Care Services Report - 29 July 2019
- Appendix 2 – Worcestershire Children First, Social Care and Safeguarding Plan
- Appendix 3 – Children’s Social Care Performance Framework
- Appendix 4 – Quarter One 2019/20 Performance Dashboard

Contact Points

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Background Papers

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

Agenda papers for the meeting of the Cabinet held on 5 September 2019

CABINET
26 SEPTEMBER 2019**RESOURCES REPORT – REVENUE AND CAPITAL BUDGET
MONITORING - MONTH 4 (31 JULY) 2019/20**

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 July 2019;**
 - (b) **notes the current progress regarding savings plans approved by Council in February 2019;**
 - (c) **endorses his conclusions concerning capital budget monitoring up to 31 July 2019;**
 - (d) **recommends that Council approves the updated Capital Programme at Appendix 7; and**
 - (e) **notes the report on borrowing and lending transactions during 2018/19 detailed in paragraphs 58 to 59 and Appendix 8.**

Introduction

2. This report details the 2019/20 outturn forecast for the Council's £330 million net revenue budget as at Month 4 (31 July 2019) and progress to date on the savings and reforms programme.
3. The Council continues to deliver statutory services and deliver against its Corporate Plan although it is facing service cost pressures of £4.3 million, which includes £3.3 million in relation to Adult Services.
4. There are further one-off pressures of £6.8 million relating to savings targets for which, although expected to be achieved, there is a risk they may not be achieved in full until next financial year.
5. To offset these pressures, there is a £1.4 million underspend on Corporate budgets and Directorates are identifying actions around tightening of controls and deferring expenditure where we can until a future date.
6. This report also notes significant cost pressures with regard to the Dedicated Schools Grant (DSG) High Needs Block which is forecasting a £7.2 million overspend.

7. Looking forward to next financial year, the Government announced on 4 September 2019 as part of its Spending Round there will be additional funding for adults and children's social care as well as for DSG High Needs. Whilst the actual amount the Council will receive has not yet been confirmed, the announcement is welcomed and will support the budget process for 2020/21.

8. An updated Capital Programme and the latest borrowing and lending transactions are also reported.

Summary Revenue Budget Monitoring 2019/20 Forecast at Month 4 (31 July 2019)

9. The County Council's net budget of £330 million was set by Full Council in February 2019.

10. This report covers the forecast financial position for 2019/20 to the end of Month 4 (31 July 2019).

11. The overall outturn forecast, as set out in Table 1, at Month 4 is for a net overspend, before management actions, of £9.7 million at the end of 2019/20. This includes a £4.3 million forecast overspend on services and £6.8 million relating to the timing of the achievement of savings plans, offset by a -£1.4 million forecast underspend on corporate items.

12. At this stage, actions are being worked through and it is anticipated that some withdrawals from earmarked reserves will be necessary to achieve a balanced budget by the end of this financial year. Whilst this was anticipated when the budget was set in February, it remains a high priority to ensure expenditure is contained within cash limits.

Table 1: Forecast Overspend

	£m	£m
Services Forecast Overspend		4.3
Corporate Savings - Debt Interest		-1.4
Savings forecast to be carried forward to next financial year		6.8
Gross Forecast Overspend		9.7
Less: Management Actions		
Directorates are working on indicative targets of:		
- Adult Services	-3.3	
- Children and Families	-1.0	
- Economy & Infrastructure	-2.0	
- Commercial and Change	-0.5	
Withdrawal from Financial Risk Reserve held as planned to support the delivery of the savings programme	-2.9	
Sub Total		-9.7
Net Forecast Overspend		0.0

13. The outturn forecast for each of the Council's services is as follows:

Table 2: Summary Outturn Forecast as at Month 4 2019/20

Dir.	Service	2019/20 Net Budget	2019/20 Forecast	19/20 Draft Variance Before Adj's	Transfer to Capital	Proposed Withdrawal from Reserves / Grants	Proposed C/Fwds	Variance After Adj's	Variance After Adj's	Variance Last Period	Change Since Last Period
		£000	£000	£000	£000	£000	£000	£000	%	£000	£000
CFC	Dedicated Schools Grant (DSG)	0	7,215	7,215	0	0	(7,215)	0	-	0	0
CFC	Children, Families and Communities (Excl DSG)	99,699	101,803	2,104	(956)	0	0	1,148	1.2%	1,457	(309)
E&I	Economy & Infrastructure	57,734	61,211	3,477	0	(3,396)	0	81	0.1%	5	76
COACH	Commercial and Commissioning	14,647	16,759	2,112	0	(2,339)	0	(227)	-1.5%	(127)	(100)
CEX	Chief Executive	431	3,019	2,588	0	(2,585)	0	3	0.7%	0	3
DAS	Adult Services	135,829	139,095	3,266	0	0	0	3,266	2.4%	2,006	1,261
PH	Public Health	0	0	0	0	0	0	0	-	0	0
Serv	Total : Services (Excl DSG)	308,340	321,887	13,547	(956)	(8,320)	0	4,271	1.4%	3,341	931
FIN	Finance / Corporate Items	31,197	24,797	(6,400)	0	0	5,000	(1,400)	-4.5%	(1,400)	0
NON	Non-Assigned Items	(6,900)	(115)	6,785	0	0	0	6,785	-98.3%	0	6,785
TRF	Funding - Transfer From Reserves	(2,247)	(2,247)	0	0	0	0	0	0.0%	0	0
Total	Total (Excl DSG)	330,390	344,322	13,932	(956)	(8,320)	5,000	9,656	2.9%	1,941	7,716
Total	Total - Funding	(330,390)	(330,390)	0	0	0	0	0	0.0%	0	0
	Grand Total - Services and Funding (Excl DSG)	0	13,932	13,932	(956)	(8,320)	5,000	9,656		1,941	7,716
	Dedicated Schools Grant (DSG)	0	7,215	7,215	0	0	(7,215)	0		0	0
	Total	0	21,147	21,147	(956)	(8,320)	(2,215)	9,656	2.9%	1,941	7,716

14. A further breakdown for each service area is set out in Appendix 1.

15. Forecast commentary on financial issues is included below in the following paragraphs and variances by individual service area greater than £0.250 million are set out in more detail in Appendix 2.

Children, Families and Communities – Budget £99.7m, £1.1m overspend

16. The Directorate is forecasting to overspend its £99.7 million budget by £1.1 million (1.2%).

17. Overall, the £72.5 million Children's Social Care budget is forecasting a small underspend of £0.2 million. Within this forecast is a £0.3 million overspend forecast for Placements and Provision, offset in the main by underspends of -£0.5 million across safeguarding, family front door and targeted family support teams.

18. The Directorate is forecasting an overspend of £1 million on the £14.4 million Home to school and college transport budget, which includes potential inflationary pressures of £0.6 million and £0.4 million relating to the reversal of a 2018/19 accounting accrual.

19. The Directorate's savings target is £3.3 million, with £2.9 million forecast for delivery this financial year.

20. The Dedicated Schools Grant (DSG) High Needs block remains an area of significant concern. Last financial year saw expenditure in excess of funding, with the Council not only using up completely non schools DSG reserves, but moreover ending the year with a £0.6 million 'overdrawn' reserve.

21. The forecast for this financial year continues to cause concern with a gross overspend forecast of £9.5 million compared with the £43.8 million budget for High Needs. The Government has allocated an additional amount of DSG to Worcestershire with around £2.3 million directed to support high needs pressures. There is a net overspend forecast,

therefore, of £7.2 million for this financial year which will increase the Council's DSG High Needs 'overdrawn' reserve to £7.8 million.

22. At the end of last financial year 2018/19, in total the Council had £81 million in earmarked reserves including the £0.6 million that was the 'overdrawn' DSG reserve at 31/3/19. Should the current years overspend forecast of £7.2 million occur, then the DSG reserve will become more 'overdrawn' and this will need to be addressed with the Council working in conjunction with Schools and the Department for Education to resolve.

23. The Spending Round announced an additional £700 million national funding for 2020/21 specifically to support DSG High Needs. Whilst the specific allocation for Worcestershire is not yet known, this will help to reduce the pressure on this budget.

Adult Services – Budget £136m, £3.3m Overspend

24. The Adult Social Care Directorate is forecasting to overspend its £136 million budget by £3.3 million (2.4%).

25. This forecast overspend includes £0.9 million of one-off costs, reducing the recurrent pressure to £2.4 million.

26. The most significant variances from budget are as follows:

- £2.8 million overspend in respect of the £33 million Older People Residential and Nursing services budget. This overspend has increased by £0.4 million since last month due to increased nursing placements
- £0.5 million net overspend in respect of Learning Disability
- £0.3 million overspend in respect of the Mental Health Residential and Nursing, and Homecare services
- £0.2 million net underspend in respect of the Older People Patient Flow Centre.

27. The Directorate's savings programme of £8.8 million is mostly on target for achievement, with £0.2 million identified as RED rated and therefore not included in the overall forecast.

Public Health - £28.4m Expenditure Budget, funded by £28.4m Public Health Grant income.
Taking expenditure and income budgets together the Net Budget is therefore £0 and is forecast to break even

28. The ring-fenced Public Health Grant is forecast to be fully spent this financial year with no issues arising.

Economy and Infrastructure – Budget £57.7m, £0.1 million overspend

29. The Economy and Infrastructure Directorate is forecasting to overspend its £57.7 million budget by £0.1 million (0.1%).

30. Waste Services are forecast to overspend its £27.6 million budget by £3.6 million which relates mostly to the service savings target. It is likely that this will be funded by a transfer from the Waste Contract reserve of £3.4 million (subject to future Cabinet approval)

to withdraw from reserves when the Council's financial outturn at the end of 2019/20 is considered at its meeting in June 2020) and a £0.2 million underspend relating to inflation and reduced tonnages.

31. This reserve may be fully utilised over the next 2 years if no action is taken. The Council is working with its external provider on opportunities to ensure services are delivered within the cash limited budget.

32. The street lighting energy budget is forecast to overspend by £0.4 million, comprising £0.3 million inflationary pressure and £0.1 million energy usage reductions remaining short of the savings target. The service is achieving £0.1 million savings from holding back expenditure on street lighting maintenance expenditure to reduce the net overspend to £0.4 million.

Commercial and Commissioning – Budget £14.6m, £0.2m underspend

33. The Commercial and Commissioning Directorate is forecasting to underspend its £14.6 million budget by -£0.2 million (-1.5%).

34. There are no significant variances from budget to report at this time following close management action to contain expenditure and achieve a small underspend.

35. The Directorate's savings target of £0.9 million is forecast to be achieved this year.

Finance/Corporate Items – £31.2 million, - £1.4 million underspend

36. The Financial Services budget includes corporate items such as Debt Interest and Minimum Revenue Provision (MRP).

37. The £31.2 million budget for Finance/Corporate Items is forecast to underspend in total by -£1.4 million as follows: -

- -£1.2 million. 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
- -£0.2 million Pension Fund Back Funding Liabilities.

38. A corporate contingency of £0.75 million is maintained and although there are no commitments set against this budget at this time, this is required to mitigate against non-achievement against delays in achieving corporate savings. This will be held under review during the year and will be released as an underspend when there is confirmation that there will be no requests to fund expenditure from this budget. A further £1 million budget set aside from receipt of income is forecast to be spent, although at this stage there are no firm commitments against this sum identified. This will be reviewed and released to support the overall overspend as appropriate.

39. Following the application of the MRP policy review, it is anticipated that £5 million will be transferred to the financial risk reserve.

Cross Cutting Items – Budget £7.4m (-£6.9m of target plus £0.5m of costs),

40. The following savings targets are held centrally pending confirmation of specific budgets where budget reductions will be achieved. An additional £0.5 million expenditure with regard to increasing the procurement team activity to achieve savings is being incurred and this is anticipated to be funded from earmarked reserves.

41. With regard to the cross-cutting savings that comprise the £7.4 million budget, £0.6 million will be achieved through organisational redesign. At this stage the remainder is categorised as RED on the basis that whilst work is ongoing, the majority of individual savings that can be delivered during 2019/20 have yet to be verified.

Table 3: Cross Cutting Items

Description	Target £m	Forecast £m	Variance £m
Organisational Redesign	3.0	0.6	2.4
Commercial Saving Opportunities	3.0	-0.5	3.5
Agency and Matrix Contract Review	0.8	0.0	0.8
Review of Former Education Services Grant	0.1	0.0	0.1
Total	6.9	0.1	6.8

42. This is expected to have a one year only impact, and the budget approved by Full Council in February 2019 anticipated the need for flexibility to support savings targets that may take longer to be delivered and the Council holds a financial risk reserve for this purpose.

Savings Update

43. The transformation savings target for 2019/20 is £28.1 million (this includes the cross cutting savings targets mentioned above) and comprises:-

Table 4: Savings Forecast as at Month 4 2019/20

	Target £m	Forecast £m	Variance £m
Savings Programme (February 2019 Council)	19.9	10.3	9.6
B/Fwd from 18/19	3.6	2.3	1.3
Management Actions assumed in MTFP to minimise growth allocations	4.6	4.1	0.5
Total	28.1	16.7	11.4
	100%	60%	40%

44. The variance of £11.4 million is RED rated savings that currently are not forecast to be achieved this year.

45. Of the £16.7 million forecast to be achieved as above, £2.6 million is rated as Amber meaning there is some risk they will not be achieved this year. The achievement of financial savings continues to be a major focus for the Council's management teams.

46. The full programme with RAG status for each project is included at Appendix 6.

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

47. The Council's overall budget is funded by a number of corporate income streams, with the forecast being shown in Table 5. Corporate income received was as expected during the year.

Table 5: Summary of outturn for Corporate Income 2019/20

Dir.	Service £000	2019/20 Net Budget	2019/20 Forecast	Variance After Adj's
Funding	Council Tax	(264,428)	(264,428)	0
Funding	Collection Fund (Surplus) / Deficit	(1,721)	(1,721)	0
Funding	Business Rates Retention Scheme	(62,550)	(62,550)	0
Funding	Business Rates Reserve	(1,691)	(1,691)	0
Total	Total - Funding	(330,390)	(330,390)	0

Summary Capital Budget Monitoring 2019/20 Forecast at Month 4 (31 July 2019)

48. The timing of capital expenditure over the current and future years has been reviewed and an updated profile is provided at Appendix 7.

49. The revised profile has taken account of the roll forward of capital schemes from last financial year and the impact that has on the current year's profile of expenditure and estimate for future years, along with re-profiling across financial years based on current best information available.

50. There have been changes to values of capital schemes due to increases in external income expected, and reallocations between schemes to take account of more realistic planning which are also included.

Pershore Infrastructure Improvements

51. Members will recall that Cabinet, at its 2 November 2017 meeting, approved the implementation of Pershore Infrastructure Improvements (Pershore Northern Link Road, Pinvin crossroads and Wyre Road/Station Road junction).

52. Cabinet also delegated authority to the Director of Economy and Infrastructure in consultation with the Cabinet Member with Responsibility for Economy and Infrastructure, to finalise the award of contract subject to funding being secured, and Council approved the addition of £11.6 million to the Capital Programme (with £6 million from Worcestershire Local Enterprise Partnership, Wychavon District Council and developer).

53. This improvement scheme has been progressed and the latest update is as follows:

- The full business case for the improvements scheme has been approved by the Worcestershire Local Transport Board
- Planning permission for the first phase of the improvements, Pinvin, has been granted and work is due to commence on site in the Autumn with preparatory works currently underway

- The planning application for the link road was considered and approved at the Worcestershire County Council Planning Committee in July. There is significant work underway to translocate reptiles from the site along with other preparatory works, including arrangements with National Rail regarding the bridge.

54. Once delivered, the Pershore Infrastructure Improvement would reduce predicted future congestion and journey times, improve access from Keytec Business Park to the A44, and support the delivery of employment growth identified in the South Worcestershire Development Plan.

55. The overall revised Capital Budget for 2019/20 totals £172 million.

Table 6: Capital Programme

	LATEST FORECAST 2019/20	LATEST FORECAST 2020/21	LATEST FORECAST 2021/22	LATEST FORECAST 2022/23	LATEST FORECAST TOTAL
TOTAL EXPENDITURE	£000	£000	£000	£000	£000
CHILDREN AND FAMILIES	26,862	10,263			37,125
OPEN FOR BUSINESS	71,572	49,981	6,131	27	127,711
THE ENVIRONMENT	53,253	41,317	5,100	2,000	101,670
HEALTH & WELL-BEING	9,758	508			10,266
EFFICIENCY & TRANSFORMATION	10,620	8,971	9,000		28,591
TOTAL	172,064	111,040	20,231	2,027	305,362

56. The Council is awaiting details of future grant allocations from Government for 2021/22 and later. These will be added to the Capital Programme when known.

57. Cabinet are asked to recommend that Council approves the updated capital programme at Appendix 7.

Borrowing and Lending Transactions 2018/19

58. In accordance with Financial Regulations and the County Council's Treasury Management Policy Statement, the Chief Financial Officer is required to report annually on the activities of the Treasury Management operation. This report is set out at Appendix 8.

59. The key highlights of this report are:-

- The Council's treasury activities were managed successfully within the approved Prudential Indicator limits
- The Base Rate at the start of the year was 0.5% which was increased to 0.75% in August 2018 and remained at this level during the rest of 2018/19. This has remained stable at 0.75% during the current financial year
- Investments prudently made to the UK Debt Management Office, other local authorities, Money Market Funds and Ultra-Short duration Bond Funds are in line with the existing County Council Treasury Management Policy
- £43 million of existing loans have been repaid during the year

- New loans of £60 million have been taken out during 2018/19 at an average rate of 2.5%. This was a planned activity raised to support the Capital Programme and manage interest rate risk
- Total long-term debt outstanding is within plan and stood at £460.3 million at 31 March 2019 at an average rate of 3.48% (3.41% for 2017/18).

Legal Implications

60. 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

61. 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. This is undertaken through the approval of the annual budget in February each year.

62. 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.

63. 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.

64. 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

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

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

Equality Duty Considerations

67. 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. The Council will continue to ensure best practice is followed with regard to these requirements.

Risk Implications

68. The Cabinet report includes recommendations regarding the Council's forecast financial position for 2019/20 and the carry forward of earmarked reserves and unspent grants.

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

Privacy and Public Health Impact Assessment

70. 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.

71. This report is mainly about confirming the forecast financial position at this stage of the year reflecting existing Cabinet decisions and policies, and where appropriate utilising specific grant monies with spending restrictions associated with these grants.

72. 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.

73. 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 (available electronically only)

- **Appendix 1** – Budget Monitoring Outturn Forecast for Month 4 - 31 July 2019
- **Appendix 2** - Budget variances greater than £0.250 million
- **Appendix 3** - Capitalisation
- **Appendix 4** – Proposed withdrawal from Grants/Reserves
- **Appendix 5** – Proposed Carry Forwards – Grants / Earmarked Reserves
- **Appendix 6** – List of Savings / RAG Analysis
- **Appendix 7** – Capital Programme
- **Appendix 8** - Borrowing and Lending Transactions 2018/19

Contact Points

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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

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