

# Agenda

## Corporate and Communities Overview and Scrutiny Panel

**Wednesday, 13 March 2019, 10.00 am**  
**County Hall, Worcester**

All County Councillors are invited to attend and participate

This document can be provided in alternative formats such as Large Print, an audio recording or Braille; it can also be emailed as a Microsoft Word attachment. Please contact Democratic Services on telephone number 01905 844963 or by emailing [democraticservices@worcestershire.gov.uk](mailto:democraticservices@worcestershire.gov.uk)

## 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.

## Corporate and Communities Overview and Scrutiny Panel Wednesday, 13 March 2019, 10.00 am, County Hall Worcester

### Membership

#### Councillors:

Mr C B Taylor (Chairman), Mrs M A Rayner (Vice Chairman), Mr A D Kent, Mr R J Morris, Mr J A D O'Donnell, Prof J W Raine, Mr A Stafford, Mr R P Tomlinson and Mr R M Udall

### Agenda

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1	<b>Apologies and Welcome</b>	
2	<b>Declarations of Interest and of any Party Whip</b>	
3	<b>Public Participation</b> <i>Members of the public wishing to take part should notify the Head of Legal and Democratic Services in writing or by e-mail indicating the nature and content of their proposed participation no later than 9.00am on the working day before the meeting (in this case 12 March 2019). Enquiries can be made through the telephone number/e-mail address below.</i>	
4	<b>Confirmation of the Minutes of the Previous Meeting</b>	
5	<b>Workforce</b>	1 - 12
6	<b>Libraries Transformation Programme</b>	13 - 16
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9	<b>Work Programme 2018/19</b>	79 - 82

Agenda produced and published by the Head of Legal and Democratic Services, County Hall, Spetchley Road, Worcester WR5 2NP. To obtain further information or hard copies of this agenda, please contact Samantha Morris 01905 844963 or Alison Spall 01905 846607, email: [scrutiny@worcestershire.gov.uk](mailto:scrutiny@worcestershire.gov.uk)

All the above reports and supporting information can be accessed via the Council's website at [here](#)

Date of Issue: Tuesday, 5 March 2019

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## **CORPORATE AND COMMUNITIES OVERVIEW AND SCRUTINY PANEL 13 MARCH 2019**

### **WORKFORCE**

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#### **Summary**

1. The Corporate and Communities Overview and Scrutiny Panel will receive an overview of the Worcestershire County Council Workforce Initiatives, which is part of the Panel's work programme, as requested at a previous meeting.
2. The Cabinet Member with Responsibility for Transformation and Commissioning has been invited to the meeting.

#### **Foreword from the Head of Human Resources and Organisational Development (HR&OD)**

3. Since being appointed to the permanent role of Head of HR & OD in July 2018 I have liaised with the new Chief Executive, the Strategic Leadership Team (SLT), key stakeholders and the HR&OD Team to review and re-prioritise the HR&OD service and organisational landscape, to evaluate our offering and identify areas for development and improvement.
4. The HR&OD team are embedding a new operating model which saw the team centralised and introducing new standardised, streamlined and simplified processes and policies. The HR&OD service has seen a planned continual reduction in capacity since 2016 which is predicated on a number of processes being system enabled (e.g. Mercury HR (iTrent) contracted via Liberata). This work is undoubtedly still ongoing which has led to a number of pressures and increased demand on the service.
5. Through my review, a number of key priorities emerged where HR&OD could make improvements to policy, practice or process to support the business and further develop the service it provides.
6. Worcestershire County Council (WCC) has historically taken a traditional approach to upskilling its work force with a significant investment in classroom based learning programmes, supplemented by E-Learning, formal qualifications and some bespoke development initiatives. Whilst this approach delivers a high level of delegate satisfaction, the ability to clearly demonstrate the impact back in the job has been limited in nature and the data collection capability of the Council is limited and labour intensive, however investment is being sought via Mercury HR to improve this position.

7. As part of the WCC redesign, we are looking at the resources required (headcount and budget) to support upskilling as well as the team capabilities required to do this in a much more digital age where technology is increasingly being used in learning provision and where a 'set-piece', classroom based approach to upskilling is increasingly being replaced with more bespoke, innovative and customised learning opportunities.

8. This report aims to set out activity around key areas of focus in the last 12 months. The breadth of services provided by HR&OD is both varied and complex and it is not possible to cover all of these in this report. As way of showing the breadth of workforce areas covered, Appendix 1 shows the current HR&OD business plan on a page which sets out all areas of activity.

## **Background**

9. Members will be aware that the HR&OD Team has been centralised since 2016 under a new operating model, designed to give strategic support to leadership teams through Strategic HR Business Partners supported by operational and specialist teams. This has reduced duplication of having directorate specific HR teams, providing a more consistent and efficient approach which mitigates risk. Structurally, the capacity of HR&OD has reduced year by year since 2015 (to date) whereby the team was running with a number of key vacancies in particular at HR Business Partner level. I have assessed recruitment to these posts as crucial for the effective operation of the service.

10. Over the last 12 months a particular emphasis has been placed on the performance and productivity of the workforce in addition to workforce initiatives that could directly achieve in year savings. This meant that the last 12 months has focussed specifically on the following areas:

- Performance Review compliance
- Attendance Management at work
- Voluntary Redundancy Scheme
- Agency spend reduction
- Christmas annual leave purchase scheme
- Social Work Recruitment
- Apprenticeships
- Social Work Academy

11. Previous years' performance review data highlighted a need for improvement in order to build a climate of high performance and productivity, as low levels of compliance (on average around 60% over the last 4 years) combined with higher than average performance rating distribution raised concerns regarding the visibility, consistency and accuracy of performance ratings. In addition, an increased sickness absence trend, against a national backdrop of a decline in absence posed a considerable cost to the organisation in terms of lost productivity.

12. A further area of focus was the Council's ability to attract and retain social workers, as a crucial part of our service improvement plan to address Ofsted ratings and improve the quality of our service and as a direct way of reducing excessive agency costs.

13. As a public sector employer, Worcestershire County Council is required to register an average of 2.3% of its total workforce on to new apprenticeships each year between 2017 and 2020 (approx. 74 per annum). This number can be new apprentices recruited or existing staff who enrol on an apprenticeship programme to upskill or achieve a qualification.

14. Our HR plan co-ordinated and consolidated these strategic activities in order to plan and track our approach and measure success. In addition to this structured plan the team has adopted an agile approach to emerging issues, such as the recent financial challenges, by supporting the business to run a Voluntary Redundancy Scheme and lead on other HR&OD initiatives, including launching a Christmas annual leave purchase scheme and targeting a reduction in agency spend through a 'forced break' of up to 20 working days.

15. It was important that the Council did not lose sight of the need for succession planning as a way of retaining skilled staff and so other areas of focus have been on being awarded employer provider status so as to allow us to implement an apprenticeship programme.

16. This report provides the additional information requested by the Panel, together with additional background information around workforce activity over the last 12 months in addition to identifying areas of focus for the next 12 months.

### **Future Workforce Priorities**

17. Looking ahead, future priorities include focussing on WCC's agency spend and evaluating best value options for resourcing, to ensure the right resource is in the right place at the right time and cost.

18. A key priority for 2019 is the establishment of a wholly owned company, Worcestershire Children First and the associated people activities, including set up and TUPE transfer.

19. In addition, HR are crucial to supporting WCC in its organisational redesign project in 2019 which is council wide, involving engagement at all levels from staff volunteers to the strategic leadership team, Chief Executive and Members. It will focus not only on the function and form required to deliver WCC services effectively, but the skills and capabilities required to support this delivery.

20. Future skills and learning will also be a huge HR&OD priority. We will need to continue to use a formal learning needs analysis process to identify future short term, and other capability skill needs. This process provides insight into directorate requirements which includes apprenticeships. WCC's L&D 'offer' reflects these needs on an annual basis where evaluation processes are used to establish satisfaction with these programmes and courses. Individual learning needs are identified through the performance appraisal process. Individuals and their line managers use the corporate L&D provision including the Social Work Academy and the Apprenticeships team to improve individual performance.

21. Many of the roles in WCC (e.g. social workers) have formal capability requirements set by their professional bodies and these requirements are also used to inform the L&D provided. These professional capability requirements often align to progression and career development opportunities.

22. Longer term strategic learning and development requirements are drawn from WCCs strategic plans and have been used in the past to develop programmes such as our Leading or the Future programme.

23. The WCC Redesign programme is looking at 'future WCC' and as part of this we will be looking at not only the roles that will be required in the future (which will be picked up as we design future-fit organisational structures) but also the skills and capabilities required.

24. We have an active and enthusiastic group of staff volunteers (c. 120) working with our subject matter experts to identify these requirements. These are expected to include short term skills-based needs e.g. to improve our technical capabilities in areas such as IT and also those with a more behavioural aspect e.g. working in partnership with other public sector organisations such as the NHS.

25. We anticipate that the modern skills and capabilities that will be required to keep pace with best practice and ensure we are future-fit will require investment, not only in L&D provision, but may also involve new delivery models. It's immediately clear we must invest in skills and capability development, in particular in digital, partnership working and commercial and commissioning. As part of this we expect to invest in developing out leaders and managers.

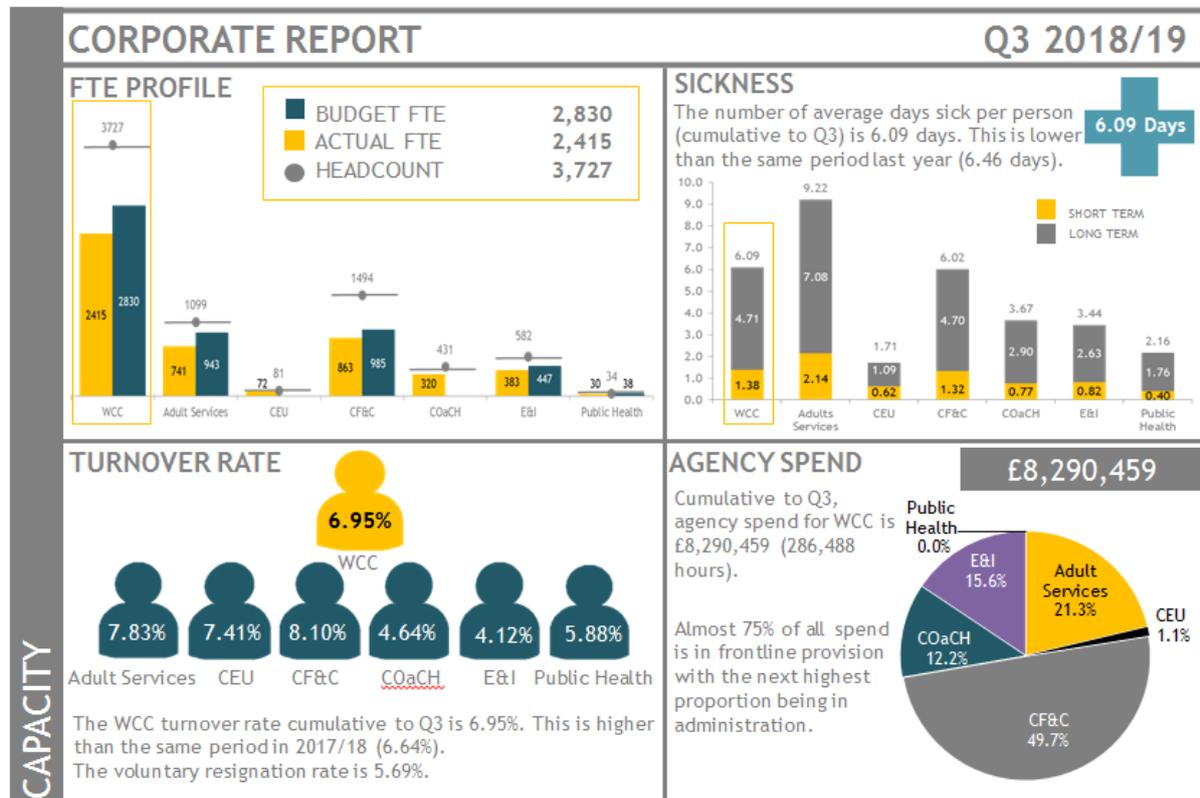
26. A future priority is to recruit talent to meet WCC's needs. Where needs are identified for example; increasing the number of qualified social workers, reducing our dependence on agency staff, we have successfully developed and delivered effective recruitment campaigns to meet this need. Similarly, we use the learning needs analysis process to identify requirements for apprentices – building and 'growing our own' skills and capabilities to meet future needs.

27. An example of this is the work we are currently doing to enable social care workers to progress into qualified social worker roles, through investing in relevant apprenticeships. We are further developing our approach to the apprenticeship levy by developing a formal Apprenticeship Strategy – this will highlight those areas where we can develop internal talent to fill roles which are otherwise hard to fill.

28. This solution isn't appropriate in all cases however, where there are not internal solutions, we look to use a variety of mechanisms to ensure we can recruit these include developing targeted recruitment campaigns, offering existing staff the opportunity to refer people in their network to us (for a modest payment where a successful appointment is made) and where it is not possible to fill roles through these means, to use mechanisms such as market supplements and incentives where appropriate.

## Current Workforce Position

29. The following provides the current 'high level' workforce statistics for WCC taken as at the end of quarter 3 2018/19:



## Position statement and progress to date since January 2018

### Staff review and development (SRD):

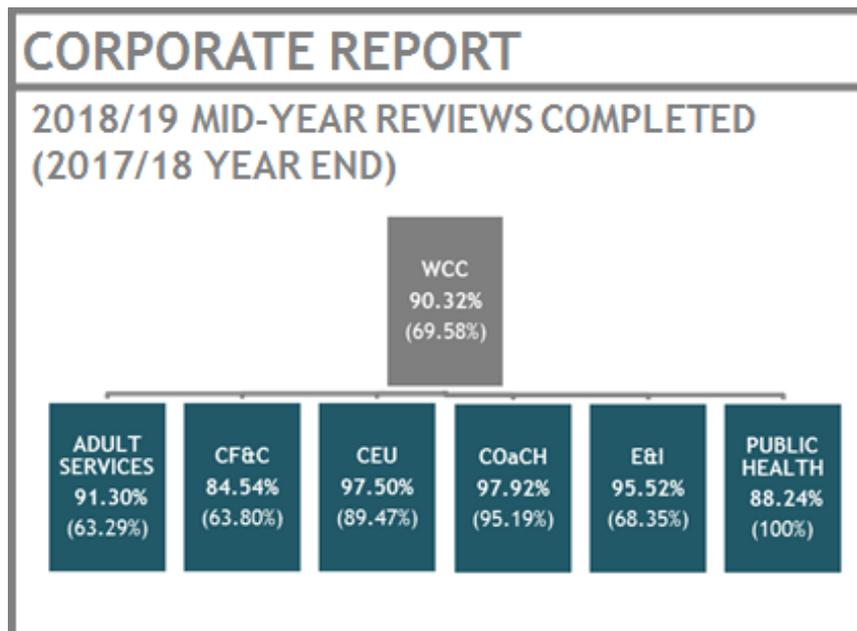
30. In the 17/18 performance year c.60% of annual performance reviews were recorded in the Mercury system. The data also showed a skew towards higher than average performance ratings, with little or no recorded underperformance in the directorates.

31. This raised concerns about our awareness of existing performance levels in the business and the accuracy and consistency of those ratings. To address these issues the HR & OD team undertook a core policy review which included a refresh, re-write and relaunch of our managing performance policy. The new policy was approved by our Trade Unions and launched in September 2018. It is now more clear, concise and user friendly. Focussed briefings were provided to line managers to ensure that they understood the changes.

32. In addition to the new performance policy the team turned its attention to the issue of compliance with the review process. Clear communications endorsed by the Chief Executive were issued regarding the importance of a performance culture and a mandatory mid-year rating process was introduced, whereby managers submitted an indicative mid-year rating for their direct reports. Managers were informed that unreasonable failure to submit a rating would lead to themselves being rating as development needed. HR Business partners

worked closely with their directorate leadership teams to provide regular compliance reporting working to a target of 80% review completion per manager at mid-year rising to 100% completion by year end. This resulted in a mid-year compliance rate of 90% as an average across WCC compared with the previous end of year compliance rate of 62% (an increase of 28%). This was a significant improvement and has kick started the business on its performance journey. Compliance is at its highest rate in over 5 years.

33. The following shows the current compliance and assessment rating levels as at the end of Quarter 3 2018/19:



34. The next phase of the long-term performance strategy is a series of moderation sessions led by HR Business partners within their directorates to review and challenge ratings, to look at relative performance and establish consistent standards.

35. Over the next 18 months, key areas of focus within performance management include; improving line manager capability, the quality of objectives, establishing a clear golden thread from corporate plan to service plans and individual objectives, driving performance and behaviour consistent with corporate values and manager competencies, differentiating performance, identifying and managing talent and improving system enablement and manager self-service.

### Attendance Management at work

36. As part of a review of our core policies the attendance management policy was refreshed and rewritten in September 2018 to provide clear expectations around attendance and sickness absence levels and a robust policy within which to manage absence. The launch of the policy has been resource intensive with training rolled out for managers and HR advisors attending all formal

meetings in order to stimulate buy in and ensure the policy is applied consistently.

37. Steps taken in managing attendance at work include:

(i) Revised formal trigger points as follows:

Where an employee is absent due to illness on 5 episodes within a 'rolling' 12 month period

**OR**

Where an employee is absent due to illness on 3 episodes within a 'rolling' 6 month period

**OR**

Where an employee is absent due to illness for a total of 10 working days during a 'rolling' 12 month period

(ii) Mandatory 'consideration' of a case where a formal trigger point is hit

To date this year (2018/19) WCC has had an upward trend in terms of sickness levels which is of concern. The new policy provision and upskilling of managers is a direct intervention to reduce sickness absence levels in WCC. Since policy roll out in September 2018, quarter 3 (Oct, Nov, Dec) has seen a reduction in sickness levels for the first time this year and whilst it still requires dedicated HR support to drive and embed the change, this early data seems indicative that we are beginning to reap the benefits of this increased focus, increasing awareness and adherence to process.

## **Apprenticeships**

38. The Government introduced the Apprenticeship Levy in 2017, this required organisations with an annual pay bill of £3m (or more) to pay a levy calculated on 0.5% of the total pay bill. The Government also introduced the Public Sector Apprenticeship target, which obligates WCC to report on achievement/non-achievement of this target each September.

39. Since May 2017 WCC has paid the levy on a monthly basis. The levy payments are deposited in a Digital Account and can be drawn down to fund apprenticeship training. The government applies a 10% top up to WCC's Levy payment and credits it to the Digital Account.

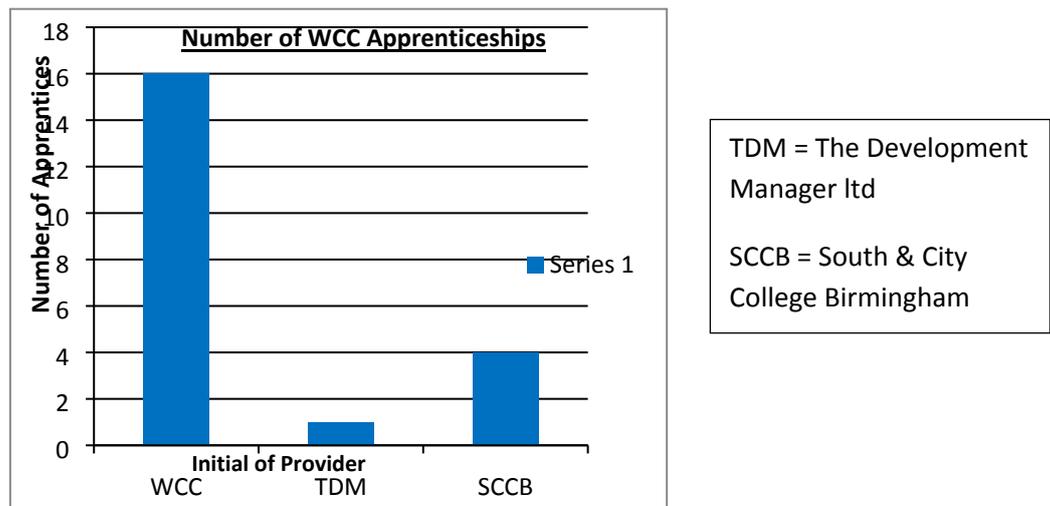
40. The levy payments expire after two years. The Levy is paid in May 2017, if still unspent in May 2019, it will be taken back by government and used to fund apprenticeships in non-levy paying organisations. This applies each month thereafter.

41. The funds in the Digital Account are available to fund the legitimate training costs only of apprenticeships undertaken by WCC employees and delivered by ESFA approved and registered Training Providers.

42. As a public sector employer, Worcestershire County Council is required to register an average of 2.3% of its total workforce on to new apprenticeships each year between 2017 and 2020 (approx. 74 per annum). This number can be new apprentices recruited or existing staff who enrol on an apprenticeship programme to upskill or achieve a qualification.

43. The Vocational Qualifications Team based within HR&OD has successfully achieved ESFA Employer Provider status and can deliver a number of apprenticeships to staff working within WCC or connected companies. This allows WCC to retain the full amount of levy claimed for each apprenticeship programme.

44. Apprenticeships currently being funded by the WCC Levy (excluding schools):



45. Now the Council has secured employer provider status is allows us to specifically target our cohort number of apprentices as determined through directorate leadership teams and through our workforce/succession plans.

### Social Worker Recruitment in CFC

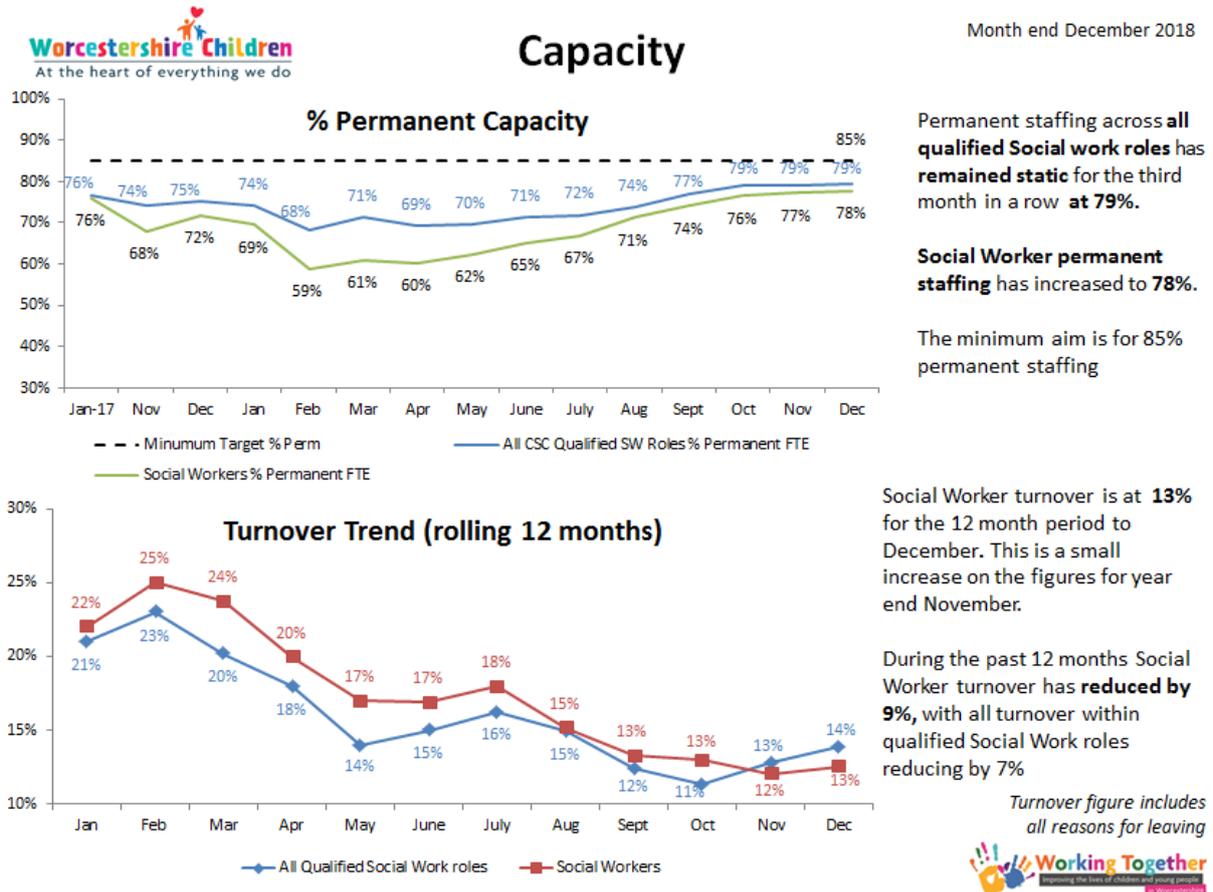
46. We have successfully developed and delivered effective recruitment campaigns to increase the number of qualified social workers (in order to reduce our dependency on agency workers and stabilise the workforce). Similarly, we use the learning needs analysis process to identify requirements for apprentices – building and 'growing our own' skills and capabilities to meet future needs.

47. An example of this is the work we are doing at the moment to enable social care workers to progress into qualified social worker roles through investing in relevant apprenticeships. We are further developing our approach to the apprenticeship levy by developing a formal Apprenticeship Strategy – this will highlight those areas where we can develop internal talent to fill roles which are otherwise hard to fill.

48. We have a dedicated social worker recruitment team which identified that delays in the process for onboarding and employment checking administered through our outsourced provider was resulting in significant delay in recruitment and maintaining and optimising staffing numbers. To address this the team took

the process back in house to ensure a seamless end to end process which minimises delay in start date.

49. The following provides data showing progress since January 2018:



## HR&OD lead savings initiatives

### Voluntary Redundancy (VR) Scheme

50. The County Council introduced a discretionary voluntary redundancy (VR) scheme in November 2018 as a mechanism to reduce cost to address our financial deficit and to avoid the potential for compulsory redundancies.

51. WCC received 95 applications for VR and 26 Expressions of Interests (EOI) (which showed indicative interest subject to a formal request) c. 40 applications were provisionally agreed with exit dates ranging from December 2018 to June 2019 (subject to formal dismissal meetings). The annual combined salaries for these applications was c.£1.2m.

52. The scheme was devised, designed and implemented by HR&OD and rolled out within tight timeframes to enable the business to respond quickly to its financial challenges. This was the first council wide scheme of its kind and whilst there were

those who were naturally disappointed that their application was not approved, on the whole the scheme was well received and ran smoothly.

### **Forced agency break**

53. As a direct way of reducing agency spend HR&OD led on an initiative to put in place a forced agency break over the Christmas period. The following was put in place:

(i) **For non-front line:**

- A forced break of **7 working days** over the 2 week period (24th Dec to 4th Jan) (Christmas to New Year)
- **An additional 13 days (pro-rata)** break to be agreed over the period 1st Dec to 31st March
- Exceptions to be agreed/approved by the relevant Head of Service/Director

(ii) **For front-line:**

- No forced **7 working day** (as above) break for front line agency staff to ensure critical business delivery in front line areas
- However, line managers to consider if they can factor in a break of between 1-20 days between 1st Dec – 31st March

54. This has resulted in an agency cost reduction of c.£260,000 to date over the Christmas period with further agency reductions being projected by end of year 2018/2019.

### **Christmas/New Year annual leave purchase scheme**

55. Another HR&OD savings initiative was to introduce a Christmas/New Year annual leave purchase scheme, applicable to all staff. This enabled staff to purchase up to a maximum of 3.5 days which was matched by the Council over the weeks 24<sup>th</sup> Dec to 4<sup>th</sup> Jan 2018. This was well received and caused minimal, if any impact to service demand as all areas were able to accommodate the leave during a period when demand on services tends to reduce (excluding front line provision).

56. This led to savings of c. £110,000 being generated with over 7400 hours being purchased.

### **Social Work Academy**

57. In the last 12 months WCC has established and launched a Social Work Academy to focus on the professional development of social workers in both Adults and Children's. The Academy is responsible for providing support to newly qualified social workers and the continuing professional development of all other social workers. This includes not only specialist capability development e.g. for Practice Educators but also for core skills development such as safeguarding.

58. The Academy plays an important role in 'horizon scanning' – ensuring that external requirements e.g. emergent standards from Social Work England are reflected in the development provided for social workers. The Academy is also involved in developing our social work cadre e.g. through the work underway to

provide apprenticeships for social care staff wishing to progress to qualified social worker status.

59. The Academy is at the forefront of developing new, more modern approaches to capability development e.g. through the use of action learning sets and is critical to WCC being able to recruit and retain social workers.

## **Conclusion**

60. In conclusion, the information contained in this report and the outline of provision contained provides an overview summary of the HR&OD workforce initiatives prioritised over the last 12 months.

61. Focus on these had led to success however it is essential that there is a relentless continued focus on the workforce over the next 2-3 years with the organisation design review being a key project in determining the future workforce for WCC in delivery of its outcomes. This will undoubtedly lead to a change in the types of roles and skills required in future. HR&ODs ability to react and focus on these changing priorities is essential in a climate of continual change.

62. Officers continue to work to maximise the effectiveness of our workforce.

## **Purpose of the Meeting**

63. The Corporate and Communities Overview and Scrutiny Panel is asked to:

- Consider the information in the update
- Determine whether it would wish to carry out any further scrutiny, and
- Agree whether it would wish to make any comments to the Cabinet Member with Responsibility for Transformation and Commissioning.

## **Supporting Papers**

- Appendix 1 – Human Resources & Organisational Development Business Plan 2018/2019

## **Contact Points**

Richard Taylor, Head of HR&OD  
Email: [RTaylor@worcestershire.gov.uk](mailto:RTaylor@worcestershire.gov.uk)

Alison Spall/Samantha Morris, Overview and Scrutiny Officers, Tel: 01905 846607/  
844963  
Email: [scrutiny@worcestershire.gov.uk](mailto:scrutiny@worcestershire.gov.uk)

# APPENDIX 1 - HUMAN RESOURCES & ORGANISATIONAL DEVELOPMENT BUSINESS PLAN - 2018/2019

## CORE HR & OD SERVICES

<p><b>HR Operations Delivery</b> – providing advice on HR policy, restructuring &amp; change, redundancy, TUPE transfers, discipline and grievances, performance management, and sickness absence.</p>	<p><b>Learning and Development Delivery</b> - providing opportunities and solutions or learning across the whole of WCC. This includes internal delivery, commissioning of external training providers, coaching, health and wellbeing and e-learning.</p>	<p><b>HR &amp; OD Business Partnering</b> - working in partnership with one or more Directorates to shape and implement HR strategies and activities at a Directorate level.</p>
<p><b>Social Work Recruitment</b> - supporting all aspects of the recruitment process for adults and children's social workers.</p>	<p><b>HR &amp; OD Service and Commissioning</b> – client/contract management, job evaluation/grading and reward, Local Government Pension Scheme, Disclosure and Barring, Equality and Diversity, HR and OD communications, HR Performance, and Budget Management.</p>	<p><b>HR &amp; OD Strategy</b> - delivering business benefits through strategic HR &amp; OD innovations in areas such as reward, staff engagement, and talent management.</p>

## HR & OD PROJECTS

Capacity	Capability	Culture and Environment
<ul style="list-style-type: none"> <li>❖ Social Work recruitment</li> <li>❖ Agency procurement</li> <li>❖ Corporate Parenting Pledge (<i>work experience</i>)</li> <li>❖ Channel shift (<i>embed new operating model/policies/self-serve</i>)</li> <li>❖ HR&amp;OD restructure (<i>3 year plan</i>)</li> <li>❖ Service delivery model (Liberata Link)</li> <li>❖ Executive recruitment / Talent acquisition</li> <li>❖ New VIPS Model</li> </ul>	<ul style="list-style-type: none"> <li>❖ Social Work Academy</li> <li>❖ Career Management (<i>career pathways</i>)</li> <li>❖ Talent Management programme</li> <li>❖ Performance management</li> <li>❖ Digital L&amp;D Strategy</li> <li>❖ Competency framework (HR Operations Delivery Team)</li> <li>❖ HR management information (MI) platform</li> <li>❖ Apprenticeship Programme</li> <li>❖ Core Policy modernisation</li> </ul>	<ul style="list-style-type: none"> <li>❖ Staff Engagement Strategy</li> <li>❖ Guaranteed Minimum Pension reconciliation</li> <li>❖ LGPS software update</li> <li>❖ One training procurement</li> <li>❖ One Worcestershire – partnership opportunities</li> <li>❖ Mercury HR Establishment project</li> </ul>

## WORKSTREAMS (OUTPUTS/LEARNING SHARED ACROSS ORGANISATION)

Children, Families and Communities Workforce	Alternative Delivery Model - CFC	Workforce Spend Review
<ul style="list-style-type: none"> <li>❖ Pay Review</li> <li>❖ Agency Supply</li> <li>❖ Management capability &amp; development</li> <li>❖ Leadership &amp; Culture</li> <li>❖ Social Work Recruitment</li> <li>❖ Social Work Academy</li> <li>❖ Workforce planning</li> <li>❖ SEND Review</li> <li>❖ GPT work</li> <li>❖ Performance Management</li> <li>❖ Improvement Partner Outputs</li> <li>❖ Learning Needs Analysis (LNA) &amp; Training Plan</li> </ul>	<ul style="list-style-type: none"> <li>❖ ADM Steering Group</li> <li>❖ Competency framework (Case &amp; Change)</li> <li>❖ Business Case Workshop participation – Support Services, Technical &amp; Financial, Vision &amp; Objectives, Conclusions</li> <li>❖ Design</li> <li>❖ Recruitment</li> <li>❖ Implementation</li> </ul>	<ul style="list-style-type: none"> <li>❖ Total Reward review (incl. pay &amp; grading)</li> <li>❖ Terms &amp; Conditions</li> <li>❖ Governance &amp; Management Best Practice</li> <li>❖ Workforce Size &amp; Organisational Capacity</li> </ul>

## **CORPORATE AND COMMUNITIES OVERVIEW AND SCRUTINY PANEL 13 MARCH 2019**

### **LIBRARIES TRANSFORMATION PROGRAMME**

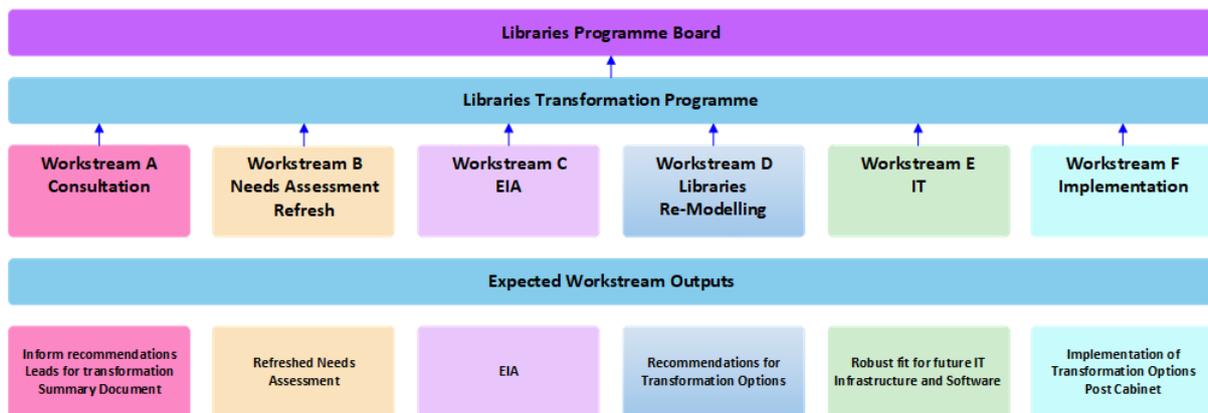
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#### **Summary**

1. In February 2018, the Council's Medium Term Financial Plan (MTFP) Library Service savings target was £1million from 2018/19 to 2020/21. Following Full Council approval on the 14 February 2018, this has since been revised to £800K. £200K Savings for 2018/19 are on track for delivery therefore the focus of this next phase is on 2019/20 – 2020/21 (£600K Savings).
2. To meet these savings targets an approach is required that will substantially transform library service delivery models. This approach needs to build on the previous library transformation strategy, which put emphasis on engaging with local communities and implementing new technologies and service delivery models.
3. Previous legal challenges to other local authorities concerning libraries indicate that major changes to an authority's library service delivery model must be made in the context of a strategic review that is in turn informed by a needs assessment. It is considered that only through the strategic review and needs assessment process, can an authority demonstrate that any proposal to fundamentally change the service delivery model would continue to secure the delivery of a comprehensive and efficient service.
4. Worcestershire County Council has completed and published a Libraries' needs assessment to underpin this next phase of transformation. This needs assessment provides a framework to describe the relative need for library provision across the area and has been used to identify recommendations and proposals for changing service provision. There is no standard approach used nationally to measure the level of need for a library, therefore Worcestershire has defined its own method.
5. The needs assessment and subsequent recommendations for change were taken to Cabinet in October 2018 and a formal public consultation was launched as a result. The purpose of this paper is to provide a brief update on the work to date in relation to the Libraries Transformation Programme, including the public.

## Libraries Transformation Programme

6. The diagram below outlines the structure of the Libraries Transformation Programme.



### Workstream A: Consultation

7. The consultation was launched on the 29 October 2018 and has been promoted across all Libraries and a variety of social media platforms and communication channels. Initial responses suggested that the survey was difficult to complete, so amendments have been made to the layout and format (not the questions) for ease of access. The consultation has also been extended from the 2 February to the 28 February 2019.

Responses to date - 28 February 2019:

- Online Survey - 1862
- Free Text Responses Inc. Letters and Emails – 75

8. In addition 23 Public Library Drop-In Sessions have been held. These were facilitated by Officers, and Councillor Lucy Hodgson attended all sessions. Approx. 790 People attended the events, and their views and comments have been recorded and will form part of the consultation.

9. In preparation for 06 June 2019 Cabinet focus will be on:

- Creation of a detailed Data Analysis Summary
- Creation of a Responses Document to queries and concerns raised as part of the consultation

### Workstream B: Needs Assessment Refresh

10. The public consultation is also seeking the views on the methodology used to define need. Therefore the needs assessment will be refreshed ahead of Cabinet in June to include:-

- Updated Libraries Performance Data to include 2018/2019 End of Year Figures

- Update of Isolation Ranking and means of calculating following feedback during the consultation. Inclusion of Public Transport Means.
- Updated Home Site Only Use to include 2018/2019 End of Year Figures
- Updated CIPFA Data
- Update on Value for Money to include 2018/2019 End of Year Financial Data
- Update of Appendices
- Update of 23 Individual Library Profiles

**Workstream C: Equality Impact Assessment.**

11. This includes the completion of a comprehensive EIA prior to June Cabinet

**Workstream D: Libraries Remodelling**

12. Place Partnership has been instructed to undertake a strategic asset review of library premises to identify where there is scope to attract new occupiers, re-negotiate leases or relocate to new cheaper premises. Stakeholder meetings are also being held to highlight community preferences for library transformation and suggesting possible approaches that are being investigated

13. Work has also commenced on identifying the necessary actions and solutions for realising the £600K savings following discussions with stakeholders and a full budget and staff establishment analysis.

**Purpose of the Meeting**

14. The Corporate and Communities Overview and Scrutiny Panel is asked to consider the headline update received on the Libraries Transformation Programme and provide any feedback to the Cabinet Member with Responsibility for Communities.

**Contact Points**

County Council Contact Points

County Council: 01905 763763

Worcestershire Hub: 01905 765765

Specific Contact Points for this report

Hannah Needham – Assistant Director of Families, Communities and Partnerships

[HNeedham@worcestershire.gov.uk](mailto:HNeedham@worcestershire.gov.uk)

Samantha Morris/Alison Spall Overview and Scrutiny Officers Tel: 01905 844963/01905 846607 Email: [scrutiny@worcestershire.gov.uk](mailto:scrutiny@worcestershire.gov.uk)

**Background Papers**

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) the following are the background papers relating to the subject matter of this report:

Agenda and Minutes of the meeting of Cabinet on [18 October 2018](#)

Agenda and Minutes of the meeting of Corporate and Communities Overview and Scrutiny Panel on 7 November

<http://worcestershire.moderngov.co.uk/ieListDocuments.aspx?CId=389&MId=2186&Ver=4>

[All agendas and minutes are available on the Council's website here.](#)

## **CORPORATE AND COMMUNITIES OVERVIEW AND SCRUTINY PANEL 13 MARCH 2019**

### **PERFORMANCE AND IN-YEAR BUDGET MONITORING**

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#### **Summary**

1. The Panel will be updated on performance and financial information for services relating to Corporate and Communities.
2. Performance and financial information provides a further tool for the Scrutiny Panels in maintaining members' understanding of services provided to the public, the effectiveness of current policies, and early knowledge of any issues or areas for further scrutiny.
3. The information provided relates to:
  - Performance information for Quarter 3 (October to December 2018)
  - Financial information in the form of the draft Cabinet Resources Report Revenue and Capital Budget Monitoring to Period 10 Month Ending 31 January 2019
4. The intention is for the Scrutiny Panels to consider this information on a quarterly basis and it is likely that the format and detail may be revised as the discussions evolve.
5. The Cabinet Members with Responsibility, Director of Commercial and Commissioning, Assistant Director of Families, Communities and Partnerships and a Management Information Analyst have been invited to attend the meeting in order to respond to any queries from Panel Members.

#### **Performance Information**

6. The Corporate Balanced Scorecard is the means of understanding progress against the Council's Corporate Plan. The Scorecard contains a range of indicators linked to key priorities and themes. Many measures are long-term and may be affected by a wide range of factors, some of which are outside the direct control of the Council.
7. Attached at Appendix 1 is a dashboard of performance information which covers the indicators from the Directorate level scorecard and those from the corporate scorecard which relate to Corporate and Communities services relevant to this Scrutiny Panel's remit.
8. The Corporate Balanced Scorecard for each Directorate is reported to Cabinet and is also available on the Council's website [here](#)

## Financial Information

9. The draft Cabinet Resources Report – Revenue and Capital Budget Monitoring 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.

10. 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.

## Purpose of the Meeting

11. Performance and financial monitoring are part of the Scrutiny Panels' role in maintaining oversight of service provision.

12. Following discussion of the information provided, the Scrutiny Panel is asked to determine:

- any comments to highlight to the CMR at the meeting and/or to Overview and Scrutiny Performance Board at its meeting on 28 March 2019
- whether any further information or scrutiny on a particular topic is required.

## Supporting Information

Appendix 1 – Corporate and Communities Dashboard

Appendix 2 – draft Cabinet Resources Report: 14 March 2019 – Revenue and Capital Budget Monitoring to Period 10 Month Ending 31 January 2019

## Contact Points

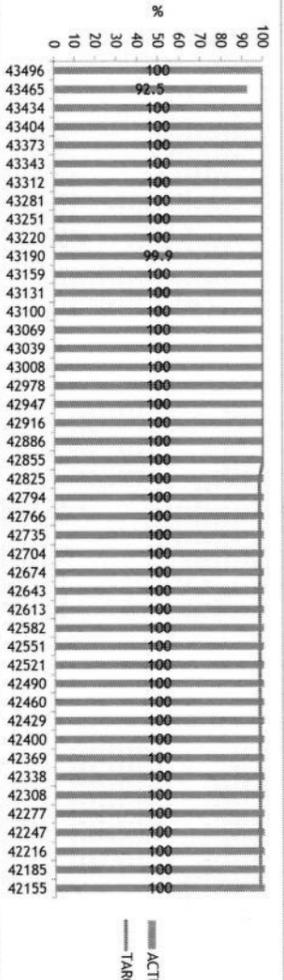
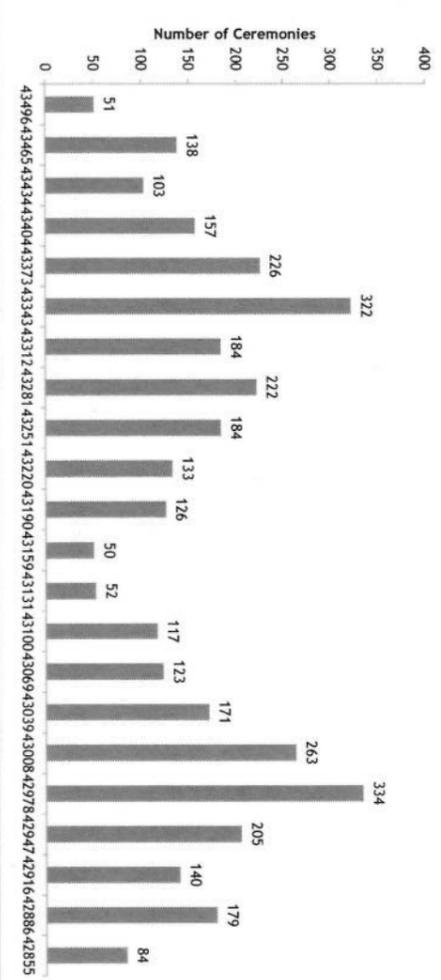
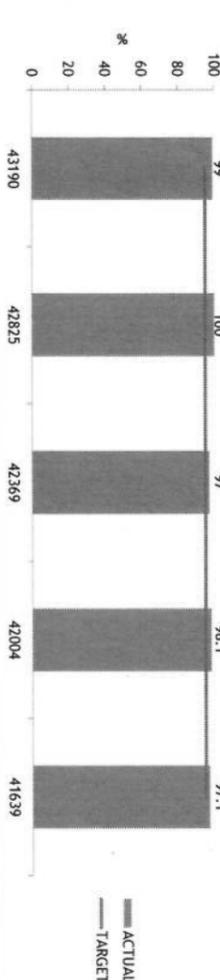
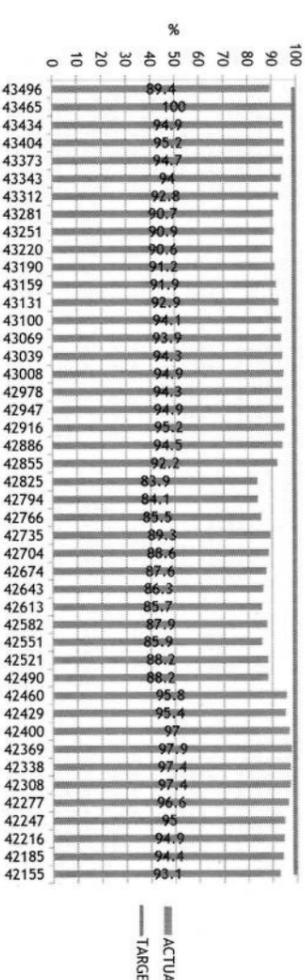
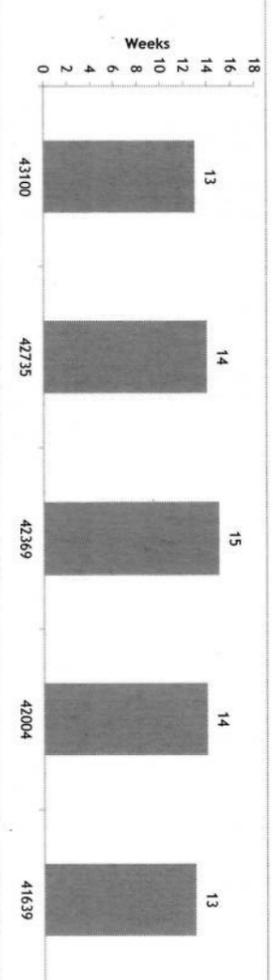
### Specific Contact Points for this Report

Samantha Morris / Alison Spall, Overview and Scrutiny Officers, Tel: 01905 844963 / 846607 Email: [scrutiny@worcestershire.gov.uk](mailto:scrutiny@worcestershire.gov.uk)

## Background Papers

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

- Agenda and minutes of the Overview and Scrutiny Performance Board on 26 September 2018 – available <http://worcestershire.moderngov.co.uk/ieListDocuments.aspx?CId=134&MId=2171&Ver=4>

Indicator title	RAG	Direction of Travel	PERFORMANCE DETAILS	CURRENT ACTIVITY	FUTURE ACTIVITY	Graph
Birth registration appointments within 5 working days	Green	Improving	After a dip in December, appointment availability last month was 100%, which was sufficient to ensure the level of appointment availability in the 2018/2019 financial year remains 99.3%. The 2017/2018 percentage was 99.9%.	Staff rotas are being managed centrally to ensure adequate cover at each office. Additionally, when an appointment time is not available, customers are offered the next available appointment date and time that is most convenient for them. Appointment availability at all locations is monitored on a daily basis at County Hall. Any impact of non-availability of appointments on customers and on the services statutory obligations and performance targets is then addressed as required.	If a customer asks for an appointment that falls outside the indicator threshold, it will continue to be recorded as falling outside the measure. It will always be the case that customers register a birth in compliance with statutory requirements, but there may be personal reasons they wish to delay registration for just a few days.	
Ceremonies (marriages and civil partnerships)	No Status	N/A	January's total is the lowest calendar-month tally of 2018/2019 so far. The dip is very much in keeping with previous years' patterns (e.g. January 2018's total was 52). Although the total for the month was much lower than in other months, the proportions of ceremonies at Approved Premises (60.8%) and Registration Offices (39.2%) were in keeping with normal patterns. The April-to-January total of 1,720 was 52 (3.1%) higher than the total for April 2017 to January 2018 (1,668). The overall ceremonies total for the 2017/2018 financial year was 1,844, a monthly average of 154. 2018/2019's April-to-January average was 172. This indicator monitors and demonstrates demand for a service that is an income-generator, but over which WCC can exert no real control. Therefore, no target has been set.	Based on this year's patterns and those of previous years, February's is likely to be well below average, but demand is being monitored to ensure there is adequate provision to cover any increase.	Monitoring of the percentage of ceremonies held at Approved Premises and Registration Offices will continue. Action will be taken to address any issues arising as a result of deviations from expected patterns and trends.	
Customer Satisfaction	Green	Deteriorating	Registration Service's annual survey covered people using the service for a civil partnership, marriage notice, registering a birth or death, and obtaining copies of various registration certificates. The 99% satisfaction rating was down from 2016's 100%, but was 2 percentage points higher than in 2015. The proportion rating the service as 'very good' in 2017/2018 was 90%, 3 percentage points less than in 2016/2017, but up from 89% in 2015/2016.	The Survey report provides statistical summaries and user feedback, allowing areas for improvement to be identified and worked on. However, monitoring of any comments received from the public on a day-to-day basis will continue.	This year's Customer Survey will be undertaken in the autumn. The confirmed result and detailed report will probably be received early in 2019.	
Death registration appointments within 2 working days	Red	Deteriorating	January's out-turn is the lowest for a calendar-month in the current financial year. The overall 2018/2019 figure has consequently fallen from 95.5% at the end of December to 94.8% on 31st January.	Appointment availability is being monitored on a daily basis. Customers are offered the next-available appointment if their preferred time is unavailable. Any problems arising at any of the Registration Offices are reported to County Hall to enable alternative solutions to be put into effect.	Reviews of procedures may lead to changes where it is felt they will improve performance and complement the daily management of appointment availability. However, any changes made must not interfere with legally-required procedures.	
Inquests - Average number of weeks to complete	No Status	Improving	2017's calendar-year figure is the lowest since 2013's and is one week less than in 2016.	The County Council cannot directly influence this indicator, but the authority does contribute financially to the Coroner's Service, which has statutory obligations in respect of the timely completion of inquests. There is also a Registration Service requirement to register deaths within 5 days of the Coroner's office completing the due processes and paperwork. As a result, the Registration Service manager is liaising with the Coroner's Service to examine procedures and monitor the recruitment of Coroner's Officers to help reduce timescales for inquests.	The situation will be monitored during the year, but this indicator will next be updated at the end of 2018.	

<p>Marriage/civil partnership notice appointments within 10 working days</p>	<p>Green</p>	<p>Improving</p>	<p>January's 100% out-turn means that December's figure is the only one to fall below 100%, the overall percentage for the current financial year as at 31st January being 99.3%.</p>	<p>Appointment availability is being monitored on a daily basis. Staff rotas are being managed centrally to ensure adequate cover at each office. Additionally, when an appointment time is not available, customers are offered the next available appointment date and time that is most convenient for them. Any impact of non-availability of appointments on customers and on the services statutory obligations and performance targets is addressed as required.</p>	<p>If a customer asks for an appointment that falls outside the indicator threshold, it will continue to be recorded as falling outside the measure. It will always be the case that customers register a birth in compliance with statutory requirements, but there may be personal reasons they wish to delay registration for just a few days.</p>	
<p>Registration of deaths within 5 days</p>	<p>Red</p>	<p>Deteriorating</p>	<p>As in previous years, January's performance was below average, due mainly to the knock-on effects of scheduled closures at Christmas and New Year. 269 of last month's 345 death registrations were completed in 5 working days, the percentage of 78% being the lowest calendar-month figure since April's 71.6%. The figure was, however, Worcestershire's highest for January since 2014 and was also higher than last month's percentages for the West Midlands region (77.4%) and England (76.4%).</p>	<p>February's percentage should be closer to the current overall financial-year percentage of 81.9%. Delays for certification at the WRH may cause an issue, but measures to ensure resilience are in place there and, indeed, elsewhere to try to ensure a strong finish to the financial year. These include Worcestershire Hub using updated guidance to ensure timely booking of appointments to register deaths and regular communications with doctors to monitor the speed of their completion of the paperwork they need to complete to enable a death to be registered.</p>	<p>There will be continued monitoring of the availability of appointments and a commitment to improving communications with doctors to speed up completion of the paperwork and processes required in order that a death can be registered.</p>	
<p>Still-birth registration appointments within 2 working days</p>	<p>Red</p>	<p>Deteriorating</p>	<p>Last month's 91.5% out-turn was the lowest since June's and has caused the overall 2018/2019 figure to fall from 95.5% on 31st December to 95% at the end of January.</p>	<p>Customers are offered the next available appointment if their preferred time is unavailable. Any problems arising at any of the Registration Offices are reported to County Hall to enable alternative solutions to be put into effect.</p>	<p>Reviews of procedures may lead to changes where it is felt they will improve performance and complement the daily management of appointment availability. However, any changes made must not interfere with legally-required procedures.</p>	

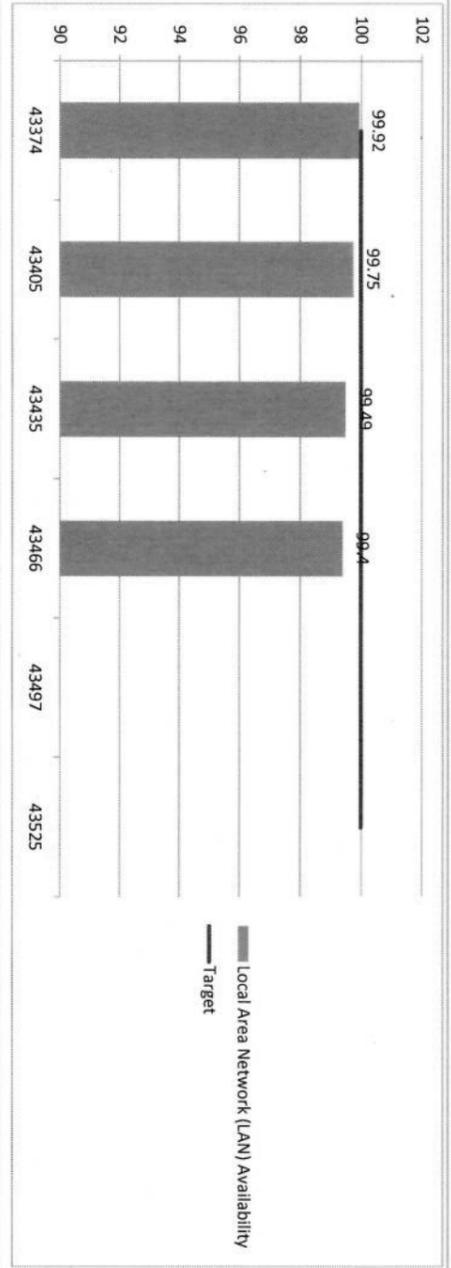
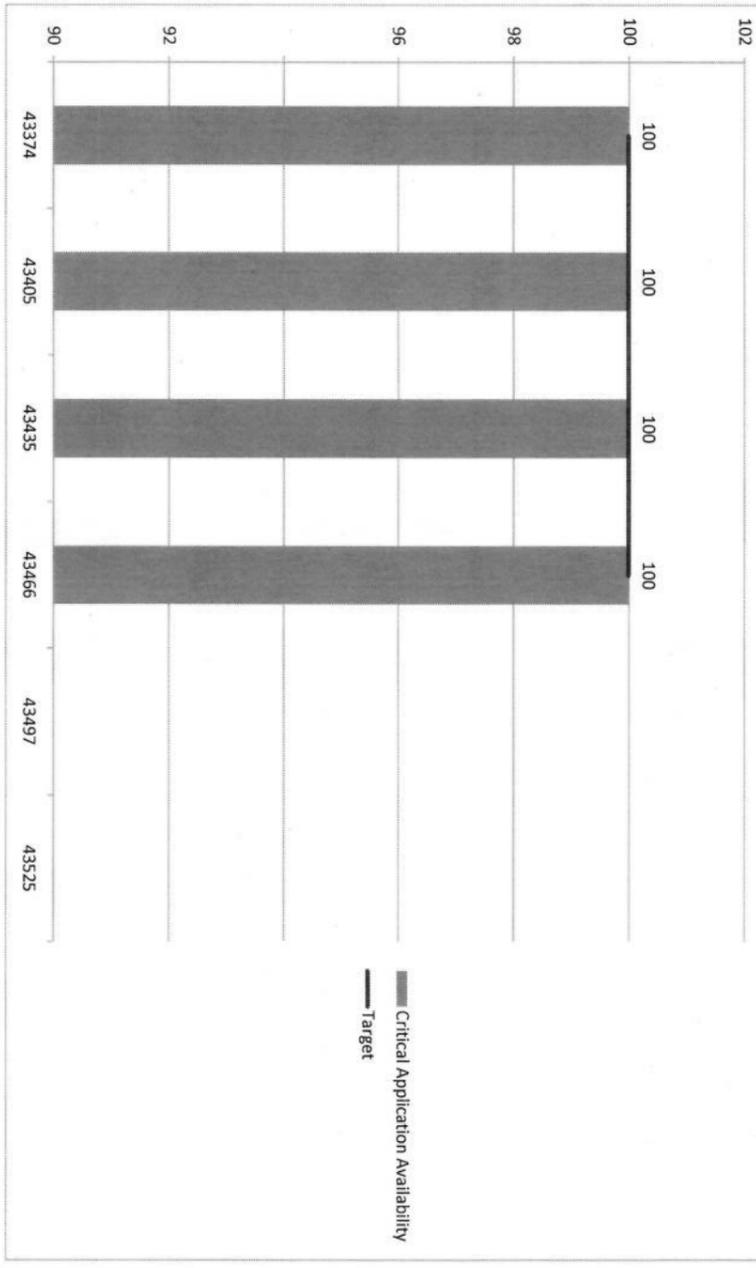
Indicator title	RAG	Direction of Travel	PERFORMANCE DETAILS	CURRENT ACTIVITY	FUTURE ACTIVITY	Graph																																																															
Advertising Value Equivalent calculated from media coverage from a basket of external publications	Green	No noticeable change	reduced coverage over the summer months when the news agenda was quieter. Still well on course to exceed the annual target of 5 million	Proactive story funnel to stimulate the pipeline of original content. Communications plan to showcase Adult Social Care	Budget setting activity. Communications in the run up to the launch of Worcestershire Children First.	<table border="1"> <caption>Advertising Value Equivalent Data</caption> <thead> <tr> <th>Date</th> <th>Actual</th> <th>Planned</th> </tr> </thead> <tbody> <tr><td>06/11</td><td>~100,000</td><td>~100,000</td></tr> <tr><td>09/11</td><td>~200,000</td><td>~200,000</td></tr> <tr><td>03/12</td><td>~300,000</td><td>~300,000</td></tr> <tr><td>12/12</td><td>~400,000</td><td>~400,000</td></tr> <tr><td>03/13</td><td>~500,000</td><td>~500,000</td></tr> <tr><td>06/14</td><td>~600,000</td><td>~600,000</td></tr> <tr><td>12/14</td><td>~700,000</td><td>~700,000</td></tr> <tr><td>03/15</td><td>~800,000</td><td>~800,000</td></tr> <tr><td>09/15</td><td>~900,000</td><td>~900,000</td></tr> <tr><td>12/15</td><td>~1,000,000</td><td>~1,000,000</td></tr> <tr><td>03/16</td><td>~1,100,000</td><td>~1,100,000</td></tr> <tr><td>06/16</td><td>~1,200,000</td><td>~1,200,000</td></tr> <tr><td>09/16</td><td>~1,300,000</td><td>~1,300,000</td></tr> <tr><td>12/16</td><td>~1,400,000</td><td>~1,400,000</td></tr> <tr><td>03/17</td><td>~1,500,000</td><td>~1,500,000</td></tr> <tr><td>06/17</td><td>~1,600,000</td><td>~1,600,000</td></tr> <tr><td>09/17</td><td>~1,700,000</td><td>~1,700,000</td></tr> <tr><td>12/17</td><td>~1,800,000</td><td>~1,800,000</td></tr> <tr><td>03/18</td><td>~1,900,000</td><td>~1,900,000</td></tr> <tr><td>09/18</td><td>~2,000,000</td><td>~2,000,000</td></tr> </tbody> </table>	Date	Actual	Planned	06/11	~100,000	~100,000	09/11	~200,000	~200,000	03/12	~300,000	~300,000	12/12	~400,000	~400,000	03/13	~500,000	~500,000	06/14	~600,000	~600,000	12/14	~700,000	~700,000	03/15	~800,000	~800,000	09/15	~900,000	~900,000	12/15	~1,000,000	~1,000,000	03/16	~1,100,000	~1,100,000	06/16	~1,200,000	~1,200,000	09/16	~1,300,000	~1,300,000	12/16	~1,400,000	~1,400,000	03/17	~1,500,000	~1,500,000	06/17	~1,600,000	~1,600,000	09/17	~1,700,000	~1,700,000	12/17	~1,800,000	~1,800,000	03/18	~1,900,000	~1,900,000	09/18	~2,000,000	~2,000,000
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Stage 2 Children's Social Care complaints in 65 days	Red	Improving	Improvement on previous quarter when none of the Stage 2 investigations were completed within 65 working days	N/A	N/A	<table border="1"> <thead> <tr> <th>Date</th> <th>Percentage</th> </tr> </thead> <tbody> <tr><td>06/16</td><td>66.6</td></tr> <tr><td>09/16</td><td>66</td></tr> <tr><td>12/16</td><td>66.66</td></tr> <tr><td>03/17</td><td>50</td></tr> <tr><td>09/17</td><td>25</td></tr> <tr><td>03/18</td><td>66</td></tr> </tbody> </table>	Date	Percentage	06/16	66.6	09/16	66	12/16	66.66	03/17	50	09/17	25	03/18	66																			
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Stage 2 corporate complaints in 25 days	Red	Deteriorating	Slight deterioration on previous quarter	N/A	N/A	<table border="1"> <thead> <tr> <th>Date</th> <th>Percentage</th> </tr> </thead> <tbody> <tr><td>06/16</td><td>70</td></tr> <tr><td>09/16</td><td>55</td></tr> <tr><td>12/16</td><td>40</td></tr> <tr><td>03/17</td><td>33.3</td></tr> <tr><td>09/17</td><td>82</td></tr> <tr><td>03/18</td><td>45</td></tr> </tbody> </table>	Date	Percentage	06/16	70	09/16	55	12/16	40	03/17	33.3	09/17	82	03/18	45																			
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Strategic Leadership Team complaint reports provided on time	Green	No noticeable change	All reports submitted on time	N/A	N/A	<table border="1"> <thead> <tr> <th>Date</th> <th>Percentage</th> </tr> </thead> <tbody> <tr><td>06/16</td><td>100</td></tr> <tr><td>09/16</td><td>100</td></tr> <tr><td>12/16</td><td>100</td></tr> <tr><td>03/17</td><td>100</td></tr> <tr><td>09/17</td><td>100</td></tr> <tr><td>03/18</td><td>100</td></tr> </tbody> </table>	Date	Percentage	06/16	100	09/16	100	12/16	100	03/17	100	09/17	100	03/18	100																			
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Traffic across social media channels	Green	No noticeable change	on target	social media community management across Facebook, Twitter, LinkedIn and Instagram	activity to reach younger audiences through Instagram	<table border="1"> <thead> <tr> <th>Date</th> <th>Actual</th> <th>Target</th> </tr> </thead> <tbody> <tr><td>09/15</td><td>532</td><td>532</td></tr> <tr><td>12/15</td><td>674</td><td>674</td></tr> <tr><td>03/16</td><td>1068</td><td>1068</td></tr> <tr><td>06/16</td><td>742</td><td>742</td></tr> <tr><td>09/16</td><td>1023</td><td>1023</td></tr> <tr><td>12/16</td><td>984</td><td>984</td></tr> <tr><td>03/17</td><td>1130</td><td>1130</td></tr> <tr><td>09/17</td><td>915</td><td>915</td></tr> <tr><td>03/18</td><td>1195</td><td>1195</td></tr> <tr><td>09/18</td><td>1190</td><td>1190</td></tr> </tbody> </table>	Date	Actual	Target	09/15	532	532	12/15	674	674	03/16	1068	1068	06/16	742	742	09/16	1023	1023	12/16	984	984	03/17	1130	1130	09/17	915	915	03/18	1195	1195	09/18	1190	1190
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All HR Strategic Leadership Team/Directorate Leadership Team reports completed on time	Green	No noticeable change	All reports have been completed on time and quality.	Continuing to produce the monthly and quarterly reports to deadlines.	To look at further ways to improve/enhance the reports to ensure they continue to meet customer needs.	<p><b>Graph</b></p> <table border="1"> <thead> <tr> <th>Date</th> <th>Actual (%)</th> <th>Target (%)</th> </tr> </thead> <tbody> <tr> <td>09/17</td> <td>100</td> <td>100</td> </tr> <tr> <td>03/18</td> <td>100</td> <td>100</td> </tr> <tr> <td>09/18</td> <td>100</td> <td>100</td> </tr> </tbody> </table>	Date	Actual (%)	Target (%)	09/17	100	100	03/18	100	100	09/18	100	100																					
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Balanced Scorecard and risk register reported on time	Green	No noticeable change	All cabinet, scrutiny and committee meeting deadlines met.	Production of Q2 report for cabinet and A&G Committee	Develop reports with new performance board	<table border="1"> <thead> <tr> <th>Date</th> <th>Actual (%)</th> <th>Target (%)</th> </tr> </thead> <tbody> <tr> <td>09/15</td> <td>100</td> <td>100</td> </tr> <tr> <td>12/15</td> <td>100</td> <td>100</td> </tr> <tr> <td>03/16</td> <td>100</td> <td>100</td> </tr> <tr> <td>06/16</td> <td>100</td> <td>100</td> </tr> <tr> <td>09/16</td> <td>100</td> <td>100</td> </tr> <tr> <td>12/16</td> <td>100</td> <td>100</td> </tr> <tr> <td>03/17</td> <td>100</td> <td>100</td> </tr> <tr> <td>09/17</td> <td>100</td> <td>100</td> </tr> <tr> <td>03/18</td> <td>100</td> <td>100</td> </tr> <tr> <td>09/18</td> <td>100</td> <td>100</td> </tr> </tbody> </table>	Date	Actual (%)	Target (%)	09/15	100	100	12/15	100	100	03/16	100	100	06/16	100	100	09/16	100	100	12/16	100	100	03/17	100	100	09/17	100	100	03/18	100	100	09/18	100	100
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Customer Satisfaction with Management Information & Analytics team	Green	No noticeable change	Latest performance refers to the 2017/18 customer satisfaction survey, which was completed in July 2018.	Reviewing customer feedback and any suggestions for improvements.	To put in place any changes needed to ensure 100% satisfaction from MIA customers.	<table border="1"> <thead> <tr> <th>Date</th> <th>Actual (%)</th> <th>Target (%)</th> </tr> </thead> <tbody> <tr> <td>06/17</td> <td>100</td> <td>100</td> </tr> <tr> <td>09/18</td> <td>100</td> <td>100</td> </tr> </tbody> </table>	Date	Actual (%)	Target (%)	06/17	100	100	09/18	100	100																								
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<p>Maintain the public performance information on the Worcestershire County Council Website - published every six months</p>	<p>Green</p>	<p>No noticeable change</p>	<p>Q4 2017/18 data published</p>	<p>Planning reporting schedule for 2019/20</p>	<p>This indicator relates to the organisational commitment to publish a range of performance and financial information on the public facing website every six months, containing Quarter 2 and Quarter 4 data.</p> <table border="1"> <caption>Actual Performance Data (06/12 to 09/18)</caption> <thead> <tr> <th>Period</th> <th>Actual (%)</th> <th>Target (%)</th> </tr> </thead> <tbody> <tr><td>06/12</td><td>100</td><td>100</td></tr> <tr><td>09/12</td><td>100</td><td>100</td></tr> <tr><td>12/12</td><td>100</td><td>100</td></tr> <tr><td>03/13</td><td>100</td><td>100</td></tr> <tr><td>06/13</td><td>100</td><td>100</td></tr> <tr><td>09/13</td><td>100</td><td>100</td></tr> <tr><td>12/13</td><td>100</td><td>100</td></tr> <tr><td>03/14</td><td>100</td><td>100</td></tr> <tr><td>06/14</td><td>100</td><td>100</td></tr> <tr><td>09/14</td><td>100</td><td>100</td></tr> <tr><td>12/14</td><td>100</td><td>100</td></tr> <tr><td>03/15</td><td>100</td><td>100</td></tr> <tr><td>06/15</td><td>100</td><td>100</td></tr> <tr><td>09/15</td><td>100</td><td>100</td></tr> <tr><td>12/15</td><td>100</td><td>100</td></tr> <tr><td>03/16</td><td>100</td><td>100</td></tr> <tr><td>06/16</td><td>100</td><td>100</td></tr> <tr><td>09/16</td><td>100</td><td>100</td></tr> <tr><td>12/16</td><td>100</td><td>100</td></tr> <tr><td>03/17</td><td>100</td><td>100</td></tr> <tr><td>06/17</td><td>100</td><td>100</td></tr> <tr><td>09/17</td><td>100</td><td>100</td></tr> <tr><td>12/17</td><td>100</td><td>100</td></tr> <tr><td>03/18</td><td>100</td><td>100</td></tr> <tr><td>06/18</td><td>100</td><td>100</td></tr> <tr><td>09/18</td><td>100</td><td>100</td></tr> </tbody> </table>	Period	Actual (%)	Target (%)	06/12	100	100	09/12	100	100	12/12	100	100	03/13	100	100	06/13	100	100	09/13	100	100	12/13	100	100	03/14	100	100	06/14	100	100	09/14	100	100	12/14	100	100	03/15	100	100	06/15	100	100	09/15	100	100	12/15	100	100	03/16	100	100	06/16	100	100	09/16	100	100	12/16	100	100	03/17	100	100	06/17	100	100	09/17	100	100	12/17	100	100	03/18	100	100	06/18	100	100	09/18	100	100
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<p>Statutory returns completed on time</p>	<p>Green</p>	<p>No noticeable change</p>	<p>All returns have been completed on time or within an agreed extension period.</p>	<p>Continuing to monitor position</p>	<p>Percentage of statutory returns completed on time/or with previously approved extension. Quarter by quarter reporting.</p> <table border="1"> <caption>Actual Performance Data (06/16 to 09/18)</caption> <thead> <tr> <th>Period</th> <th>Actual (%)</th> <th>Target (%)</th> </tr> </thead> <tbody> <tr><td>06/16</td><td>100</td><td>100</td></tr> <tr><td>09/16</td><td>100</td><td>100</td></tr> <tr><td>12/16</td><td>100</td><td>100</td></tr> <tr><td>03/17</td><td>100</td><td>100</td></tr> <tr><td>06/17</td><td>100</td><td>100</td></tr> <tr><td>09/17</td><td>100</td><td>100</td></tr> <tr><td>12/17</td><td>100</td><td>100</td></tr> <tr><td>03/18</td><td>100</td><td>100</td></tr> <tr><td>06/18</td><td>100</td><td>100</td></tr> <tr><td>09/18</td><td>100</td><td>100</td></tr> </tbody> </table>	Period	Actual (%)	Target (%)	06/16	100	100	09/16	100	100	12/16	100	100	03/17	100	100	06/17	100	100	09/17	100	100	12/17	100	100	03/18	100	100	06/18	100	100	09/18	100	100																																																
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Area	Indicator title	RAG	Direction of Travel	PERFORMANCE DETAILS	CURRENT ACTIVITY	FUTURE ACTIVITY	Graph
HR	Employees - Actual Full Time Equivalents	N/A	Improving	Number of FTE employees as at 31st December 2018 (target and RAG rating based on budgeted establishment FTE derived from 2017/18 Budget Book)			<p>Graph showing FTE employees from 06/11 to 12/18. The y-axis is FTE (0-4500). A line graph shows planned FTE at 3107.49. Actual FTE values are shown for each period, starting at 4258.05 in 06/11 and ending at 2415.12 in 12/18.</p>
HR	Sickness Rates	Green	N/A	6.09 Average days sick per person [FTE] / 0.43 Average episodes per person during financial year 2018/19 to date.			<p>Graph showing Number of average days sick per person from 03/17 to 12/18. The y-axis is Number of average days (0-10). A line graph shows planned average days at 6.46. Actual values are shown for each period, starting at 8.92 in 03/17 and ending at 6.09 in 12/18.</p>
HR	Staff turnover rate	N/A	N/A	Number of leavers to date expressed as a percentage of the workforce			<p>Graph showing Staff turnover rate from 06/17 to 12/18. The y-axis is % (0-10). Actual values are shown for each period, starting at 2.22 in 06/17 and ending at 6.95 in 12/18.</p>
HR	Agency Spend	N/A	N/A				<p>Graph showing Agency Spend from 06/17 to 12/18. The y-axis is £ (0-£12,000,000). Actual values are shown for each period, starting at £2,947,262 in 06/17 and ending at £8,290,459 in 12/18.</p>

ICT Local Area Network (LAN) Availability	N/A	N/A	<p>New Indicator - The LAN Availability PI details the availability of LAN (Local Area Network) infrastructure across all sites based on a 24x7x365 business need. Monitoring of network hardware (switches) is achieved via an application, SolarWinds. ICT's target is to achieve 99.99% LAN uptime across all sites.</p>	 <table border="1"> <thead> <tr> <th>Site ID</th> <th>Local Area Network (LAN) Availability</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>43374</td> <td>99.92</td> <td>99.4</td> </tr> <tr> <td>43405</td> <td>99.75</td> <td>99.4</td> </tr> <tr> <td>43435</td> <td>99.49</td> <td>99.4</td> </tr> <tr> <td>43466</td> <td>99.4</td> <td>99.4</td> </tr> <tr> <td>43497</td> <td>-</td> <td>99.4</td> </tr> <tr> <td>43525</td> <td>-</td> <td>99.4</td> </tr> </tbody> </table>	Site ID	Local Area Network (LAN) Availability	Target	43374	99.92	99.4	43405	99.75	99.4	43435	99.49	99.4	43466	99.4	99.4	43497	-	99.4	43525	-	99.4
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ICT Critical Application Availability	N/A	N/A	<p>This PI details systems identified as critical to front line services and their overall availability based on a 24x7x365 business need. Framework-1 (Social Care), Talis (Library System), Jadu (Website), Outlook/Exchange (Email), Lync/Altigen (Telephony). This includes the critical business applications themselves as well as all underpinning infrastructure required to deliver access to the application. PI calculated by considering total downtime of a critical application for all users which will have an associated Priority 1 incident. ICT target is to achieve 99.99% uptime for all critical applications.</p>	 <table border="1"> <thead> <tr> <th>Site ID</th> <th>Critical Application Availability</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>43374</td> <td>100</td> <td>99.99</td> </tr> <tr> <td>43405</td> <td>100</td> <td>99.99</td> </tr> <tr> <td>43435</td> <td>100</td> <td>99.99</td> </tr> <tr> <td>43466</td> <td>100</td> <td>99.99</td> </tr> <tr> <td>43497</td> <td>-</td> <td>99.99</td> </tr> <tr> <td>43525</td> <td>-</td> <td>99.99</td> </tr> </tbody> </table>	Site ID	Critical Application Availability	Target	43374	100	99.99	43405	100	99.99	43435	100	99.99	43466	100	99.99	43497	-	99.99	43525	-	99.99
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Indicator title	RAG	Direction of Travel	PERFORMANCE DETAILS	CURRENT ACTIVITY	FUTURE ACTIVITY	Graph
Library Visits and Issues	Green	Visits increasing. Issues declining	January was the fourth month in a row in which the month-end total was higher than twelve months previously. Projected year-end total is 2,700,000 (0.5% higher than 2017/2018's total of 2,685,481) against a target of 2,550,000. The issues total for January was of 204,605, down 5.4% compared with January 2018's 216,216. Projected year-end total is 2,415,000 against a target of 2,400,000.			<p>Library Visits and Issues</p> <p>Legend: Visits (Grey bars), Issues (Black line)</p>
Library Issues: E-books, E-audio books, e-magazines			The e-issues total was 41.6% higher than January 2018's equivalent total of 5,371			<p>Library Issues : E-Books, E-Audiobooks, E-Magazines</p>
Museum Visits			Total museum visits at 75,661 as at Jan 2019, down slightly from 77,159 for the same period last year.	2019 events (e.g. the two new exhibitions at MAG) are being advertised in the local press, on social media, and via Museums Worcestershire's expanded internet presence, usage of which is being monitored on a monthly basis.		<p>Museums Worcestershire Visits (with County Museum)</p> <p>Legend: Overall (Grey bars), County Museum (Black line)</p> <p>NB: County Museum closed to public each January</p>

<p>Countryside Standards Achieved</p>		<p>End-of-Quarter-3 figure is the highest since September 2016's 91%. Standards include health and safety issues, cleanliness, presence of litter, signs and notices, buildings, site furniture, trails, mowing, and the availability and suitability of play areas.</p>			<p>Countryside Site Standards Achieved (%)</p> <table border="1"> <caption>Countryside Site Standards Achieved (%) Data</caption> <thead> <tr> <th>Month</th> <th>Standard 1</th> <th>Standard 2</th> <th>Standard 3</th> <th>Standard 4</th> <th>Standard 5</th> <th>Standard 6</th> <th>Standard 7</th> <th>Standard 8</th> <th>Standard 9</th> </tr> </thead> <tbody> <tr> <td>Dec-16</td> <td>87</td> <td>86</td> <td>85</td> <td>84</td> <td>83</td> <td>82</td> <td>81</td> <td>80</td> <td>79</td> </tr> <tr> <td>Sep-17</td> <td>87</td> <td>86</td> <td>85</td> <td>84</td> <td>83</td> <td>82</td> <td>81</td> <td>80</td> <td>79</td> </tr> <tr> <td>Jun-18</td> <td>87</td> <td>86</td> <td>85</td> <td>84</td> <td>83</td> <td>82</td> <td>81</td> <td>80</td> <td>79</td> </tr> </tbody> </table>	Month	Standard 1	Standard 2	Standard 3	Standard 4	Standard 5	Standard 6	Standard 7	Standard 8	Standard 9	Dec-16	87	86	85	84	83	82	81	80	79	Sep-17	87	86	85	84	83	82	81	80	79	Jun-18	87	86	85	84	83	82	81	80	79
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**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 Grant 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 result 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 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

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**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**

Corporate Plan Area	Budget	P10 Year-end	Variance	Variance
	2018/19	Forecast	2018/19	2018/19
	£000	£000	£000	%
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 detail 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. A link to the Council's responses to these consultations is as follows: [\[INSERT LINK\]](#)

### **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

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

### 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	0	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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<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)
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.

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)
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**

Dir.	Service	Capitalisation - Detail	£000
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 increasing 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	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
- 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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## **CORPORATE AND COMMUNITIES OVERVIEW AND SCRUTINY PANEL 13 MARCH 2019**

### **COMMISSIONING AND COMMERCIAL UPDATE**

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#### **Summary**

1. This report is an update on progress since the Overview and Scrutiny Panel meeting dated 23 October 2018. Good progress has been made in the development of our approach to Commissioning and Procurement activities and the skills to support them.

#### **Background**

2. At the meeting of the Scrutiny Panel in October 2018, several topics were explored including definitions and processes associated with commissioning and procurement. This stimulated a wide-ranging discussion about how the Council currently administers its external spend - from the high number of small contracts in place and the limitations of the tools currently used to manage these contracts through to the decision process to outsource and insource services and how improvements to services are monitored following implementation of these decisions. The panel also stated that they wish to be involved in the procurement strategy development and have sight of the commissioning project plan.

3. The Council's Procurement Code describes the procurement processes that must be followed. The Procurement Strategy describes what the approach the Council wants to adopt, and the outcomes expected through procurement activity. The strategy is currently being updated to reflect the Council's priorities and social value requirements.

#### **Purpose of the Meeting**

4. The Panel is asked to:

(a) Consider the information contained within the report and advise on key information required in future updates.

5. Since the meeting of the Scrutiny Panel in October 2018, the Commercial Team has been progressing the development of the function. The initiatives will build on the themes discussed in October by improving the commerciality of the organisation and the effectiveness and efficiency of our processes with the subsequent reduction in spend. These proposals are outlined below:

**Proposals:** To introduce

- A new Procurement Strategy and Procurement Code
- A Category Management Approach - managing our Council-wide spend profile to maximise market opportunities and working closely with Commissioners, ensuring we achieve best value for services we provide
- Ongoing development of the commissioning approach and close integration between commissioners and commercial team to underpin category management
- A Centralised Buying Team - tail spend control to deliver savings on high volume low value procurement.
- Commercial Management Information Reporting – the provision of information that will drive decisions and track progress including spend analysis

6. The table below outlines the proposals in more detail:

<b>Team</b>	<b>Business Changes</b>	<b>Benefits</b>
<b>Commercial and Commissioning Board</b>	<ul style="list-style-type: none"> <li>• strategic view of commissioning and commissioned services</li> <li>• review of complex exemptions to the procurement code</li> </ul>	<ul style="list-style-type: none"> <li>• priorities identified and acted upon</li> <li>• focused resource</li> <li>• best in class approach to commissioning</li> </ul>
<b>Category Management Team</b>	<ul style="list-style-type: none"> <li>• commerciality introduced to directorate management teams through presence of highly trained and experienced commercial staff</li> <li>• understanding and development of market</li> <li>• supplier management and programme of supplier/contract performance reviews</li> <li>• opportunities for collaboration with partners identified</li> <li>• opportunities to reduce spend and increase income identified and pursued</li> <li>• team to manage strategic contracts</li> </ul>	<ul style="list-style-type: none"> <li>• reduction in spend</li> <li>• effective commissioning and procurement delivering best value</li> <li>• all contracts held by council known</li> <li>• contract terms enforced</li> <li>• contracts reviewed to improve performance/reduce costs where applicable</li> </ul>
<b>Central Buying Team</b>	<ul style="list-style-type: none"> <li>• source all goods and services between £1k-£5k applying rigorous competition</li> <li>• source all goods and services between £5k-£25k using Request for Quotation process on In-Tend (procurement e-portal)</li> <li>• identify opportunities for aggregation</li> </ul>	<ul style="list-style-type: none"> <li>• regain control over tail spend</li> <li>• efficient procurement processes applied, appropriate to value and nature of contract</li> <li>• competition applied to reduce spend</li> <li>• compliance with procurement code</li> </ul>

Team	Business Changes	Benefits
<b>Commercial Reporting</b>	<ul style="list-style-type: none"> <li>• manage back office P card spend</li> <li>• develop and manage catalogues and preferred supplier lists</li> <li>• act as a help-desk to other purchasers(requisitioners) around the organisation</li> <li>• manage and maintain contracts register in In-tend</li> <li>• manage exemption requests</li> <li>• all contract data to be held within the Intend System</li> <li>• live commercial dashboards available across the organisation (drawing data from e5 and Intend and generating reports in Power BI) performance against specific targets reported e.g. No PO No Pay</li> </ul>	<ul style="list-style-type: none"> <li>• forward planning</li> <li>• spend linked to contracts</li> <li>• control on spend</li> <li>• effective decision making</li> <li>• timely action</li> </ul>

As well as changes to processes and systems, this transformation will require organisational redesign which will need to align to the overall Council Redesign.

### **New Procurement Strategy and Procurement Code**

7. The Current Procurement Strategy is being rewritten focusing on addressing the Council's priorities from commissioning activities. It will focus on the Council's need to use its spending power wisely and strategically to:

- Maximise value for money
- Achieve continuous improvement in the way services are delivered
- Secure savings through more effective procurement
- Secure Social Value

8. Procurement is an integral part of commissioning and essentially is the physical activities involved in sourcing, engaging and managing spend with suppliers and providers. This will be informed and influenced by the approach that the Council takes to its commissioning.

Procurement encompasses:

- Defining the requirement
- Developing the business case
- Defining the approach
- Researching the supply market
- Undertaking competitive procurement
- Awarding and implementing the contract

- Managing the contract and the supplier
- Review of contract delivery and lessons learnt.

9. The procurement vision is to drive procurement excellence through developing an open, challenging and pro-active culture and deploying effective strategies to source the right service from the right provider at the right cost.

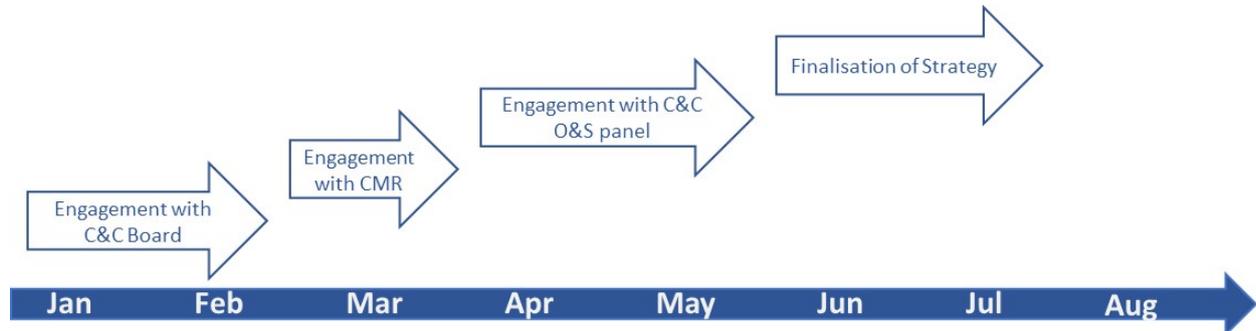
10. The procurement objectives are to:

- Meet commercial needs in a way that achieves value for money on a whole life basis, generating benefits to the Council, its communities and local economy, while minimising the damage to the environment
- Develop and evaluate alternative and innovative models for service delivery including arm's length companies, staff spins outs etc.
- Manage all of procurement activities using the principles of category management to leverage spend through aggregation & standardisation
- Manage supply markets and key suppliers through effective deployment of supplier and contract management
- Explore and maximise the opportunities for partnering and collaboration across the public, private and third sectors
- Develop procurement staff into highly motivated, well respected specialists, delivering excellent service, best value for money and sustainable cost savings
- Ensure the Council is recognised by suppliers and providers, as one that they want to work with rather than must work with
- Deploy effective processes and robust option appraisals to meet our ambitions. and ensure all our procurement complies with UK and EU legislation.

11. In working towards the vision and pursuing the objectives, the benefits of the activities will be felt by all the Council's stakeholders - Community, Suppliers & Providers, Elected Members, Strategic Commissioners and staff. In particular:

- New ways of procuring requirements
- Better value for money
- Innovation
- Accessibility
- Clear access channels
- Easier to find opportunities
- Targeted support to local supply base
- Better information
- Specific support to local businesses
- Cost savings
- Easy to find supply solutions
- Fewer supply issues
- Simplified processes
- Professional delivery
- New skills
- New ways of working
- New toolsets and access to Commercial Management Information

12. The Corporate and Communities Overview & Scrutiny Panel will be invited to input to the development of the Procurement Strategy. The indicative timeline for the development is as follows:



### Commissioning Plan

13. The work to validate our contract data is ongoing throughout March and is being used to populate the Contract Management functionality within Intend. This will allow the development of a robust commissioning plan based on contract liquidity which, in turn, will facilitate the team in meeting peaks and troughs of procurement activity throughout the year.

14. The team remain outward looking and have visited several other authorities' procurement teams seeking best practice and we continue to work with partners to explore joint opportunities for savings e.g. STP.

### Building Team Capability

15. There is significant focus on developing the team and there are currently five staff who have Chartered Institute of Procurement & Supply (CIPS) qualifications and nine staff within the commercial team are currently undertaking CIPS training. Development in Six Sigma (LEAN) is also programmed for the wider team.

### Conclusion

16. Good progress has been made in improving our approach to Commissioning and Procurement activities and developing the skills, processes and systems to support them.

### Background Papers

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) the following are the background papers relating to the subject matter of this report: Report to Corporate and Communities Panel 23 October 2018 available [here](#)

## Contact Points

### County Council Contact Points

County Council: 01905 763763

Worcestershire Hub: 01905 765765

David Griffiths, Commercial Manager –

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

Andrew Spice, Director of Commercial and Commissioning –

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

### Specific Contact Points for this report

Samantha Morris/Alison Spall Overview and Scrutiny Officers Tel: 01905 844963

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

## **CORPORATE AND COMMUNITIES OVERVIEW AND SCRUTINY PANEL 13 MARCH 2019**

### **WORK PROGRAMME 2018/19**

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#### **Summary**

1. From time to time the Corporate and Communities Overview and Scrutiny Panel will review its work programme and consider which issues should be investigated as a priority.

#### **Background**

2. Worcestershire County Council has a rolling annual Work Programme for Overview and Scrutiny. The 2018/19 Work Programme has been developed by taking into account issues still to be completed from 2017/18, the views of Overview and Scrutiny Panel Members and the findings of the budget scrutiny process.
3. Suggested issues have been prioritised using scrutiny feasibility criteria in order to ensure that topics are selected subjectively and the 'added value' of a review is considered right from the beginning.
4. The Corporate and Communities O&S Panel is responsible for scrutiny of:
  - Commissioning, contracts and commerce and ensuring the corporate commissioning cycle works well
  - Transformation
  - Finance
  - Localism and Communities
  - Organisation and employees
5. The Work Programme was agreed by Council on 8 November 2018.

#### **Dates of Future Meetings**

- 8 May 2019
- 3 June 2019
- 16 July 2019

#### **Purpose of the Meeting**

The Panel may wish to consider the 2018/19 Work Programme and consider whether it would wish to make any amendments. The Panel will wish to retain the flexibility to take into account any urgent issues which may arise.

## Supporting Information

- Appendix 1 – Corporate and Communities Overview and Scrutiny Panel Work Programme 2018/19

## Contact Points

### Specific Contact Points for this Report

Samantha Morris/Alison Spall, Overview and Scrutiny Officers, Tel: 01905 844963/846607

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

## Background Papers

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) the following are the background papers relating to the subject matter of this report:

- Agenda and minutes of Council on 8 November 2018 – available on the Council website [here](#)
- Agenda and Minutes of OSPB on 26 September 2018 - available on the Council website [here](#)

**APPENDIX 1**

**2018/19 SCRUTINY WORK PROGRAMME: Corporate and Communities Overview and Scrutiny Panel**

<b>Date of Meeting</b>	<b>Issue for Scrutiny</b>	<b>Date of Last Report</b>	<b>Notes/Follow-up Action</b>
13 March 2019	Libraries Remodelling	7 November 2018	The Panel requested an update on library re-modelling at its meeting in March.
13 March 2019	Worcestershire County Council Workforce	n/a	Extra info requested at January Panel meeting
13 March 2019	Commissioning	23 October 2018	The Panel had asked for details of the Director of C&C's commissioning priorities for the next 6 months and invited him to provide an update to the Panel in 6 months' time.
8 May 2019	Liberata	n/a	
8 May 2019	Councillor IT	8 March 2018	Include in report - information on staffing in IT
3 June 2019	Libraries Remodelling	7 November 2018 13 March 2019	The Panel is meeting to consider this issue prior to Cabinet on 6 June.
16 July 2019	Worcestershire Councillors' Divisional Fund	23 July 2018	Reported annually.
<b>Possible Future Items</b>			
TBC	Volunteering	n/a	

TBC	Maximising Income generation	22 May 2018 22 January 2019	Informal session with Members to be held on 13 March after C&C Panel meeting
TBC	Culture: How can we utilise the Culture of Worcestershire to maximise the benefit to the County?	n/a	
TBC	Information sharing with District Councils	8 March 2018	
TBC	Communications – How we ensure residents have easy access and we communicate service levels? WCC brand and the postal service.	n/a	
Standing Items	Performance Management Quality Assurance Budget Scrutiny	November and January	