

Agenda

Council

Thursday, 16 July 2020, 10.00 am
Online only

Notes

Due to the current Covid-19 pandemic Worcestershire County Council will be holding this meeting in accordance with the relevant legislative arrangements for remote meetings of a local authority. For more information please refer to: Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020.

Please note that this is a public meeting, conducting remotely by videoconferencing between invited participants and live streamed for general access via a link on the Council's website to the Council's Youtube channel.

The Agenda papers and background papers can be accessed electronically on the Council's website. Members of the public and press are permitted to report on the proceedings.

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 846621 or by emailing 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 3rd party of your member or election expenses
- Any **contract** for goods, services or works between the Council and you, a firm where you are a partner/director, or company in which you hold shares
- Interests in **land** in Worcestershire (including licence to occupy for a month or longer)
- **Shares** etc (with either a total nominal value above £25,000 or 1% of the total issued share capital) in companies with a place of business or land in Worcestershire.

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

WHAT MUST I DO WITH A DPI?

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

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

WHAT ABOUT 'OTHER DISCLOSABLE INTERESTS'?

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

WHAT ABOUT MEMBERSHIP OF ANOTHER AUTHORITY OR PUBLIC BODY?

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

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

Not normally. You must withdraw only if it:

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

DON'T FORGET

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

Thursday, 16 July 2020, 10.00 am, Online only

Agenda and Summons

Councillors: Mr R P Tomlinson (Chairman), Mr A A J Adams, Mr R C Adams, Ms P Agar, Mr A T Amos, Mr T Baker-Price, Mr R W Banks, Mr R M Bennett, Mr G R Brookes, Mrs J A Brunner, Mr B Clayton, Mr K D Daisley, Mr P Denham, Ms R L Dent, Mr N Desmond, Mrs E A Eyre, Mr A Fry, Mr S E Geraghty, Mr P Grove, Mr I D Hardiman, Mr A I Hardman, Mr P B Harrison, Mr M J Hart, Ms P A Hill, Mrs A T Hingley, Mrs L C Hodgson, Dr A J Hopkins, Dr C Hotham, Mr M E Jenkins, Mr A D Kent, Mr R C Lunn, Mr P M McDonald, Mr S J Mackay, Mr L C R Mallett, Ms K J May, Mr P Middlebrough, Mr A P Miller, Mr R J Morris, Mr J A D O'Donnell, Mrs F M Oborski, Ms T L Onslow, Dr K A Pollock, Mrs J A Potter, Prof J W Raine, Mrs M A Rayner, Mr A C Roberts, Mr C Rogers, Mr J H Smith, Mr A Stafford, Ms C M Stalker, Mr C B Taylor, Mrs E B Tucker, Mr P A Tuthill, Mr R M Udall, Mrs R Vale, Ms S A Webb and Mr T A L Wells

1 Apologies and Declaration of Interests

To receive apologies and invite any councillor to declare any interest in any of the items on the agenda.

2 Chairman

To elect a Chairman of the Council to hold office until his or her successor becomes entitled to act.

3 Vice-Chairman

To appoint a Vice-Chairman of the Council to hold office until immediately after the election of a Chairman at the next Annual meeting of the Council.

4 Public Participation

To allow a member of the public to present a petition, or ask a question relating to the functions of the Council, or to make a comment on any matter on the agenda.

Members of the public wishing to take part should notify the Assistant Director for Legal and Governance in writing or by e-mail indicating both the nature and content of their proposed participation no later than 9.00am on Monday 13 July 2020. Further details are available on the Council's website. Enquiries can also be made through the telephone number/e-mail address listed below.

5 Minutes

To approve as a correct record and authorise the signing of the Minutes of the meeting held on 13 February 2020 (previously circulated electronically).

6 Chairman's Announcements

To receive any announcements to be made by the Chairman.

7 Reports of Cabinet 1 - 10

To consider the report of the Cabinet– Summary of decisions taken and to receive answers to any questions asked on the report (**White pages**).

8 Constitutional Matters 11 - 16

To consider a report on (**Yellow Pages**):

- (a) Council meeting dates;
- (b) Political balance;
- (c) Chairmen and Vice-Chairmen of member bodies; and
- (d) Attendance at Meetings of the Authority.

9 Notices of Motion 17 - 20

To receive the report of the Assistant Director for Legal and Governance on any Notices of Motion received by him (**Lilac pages**).

Councillors are asked to note that any Notices of Motion must be received by the Assistant Director for Legal and Governance no later than noon on 7 July 2020.

10 Question Time 21 - 24

To receive answers to any questions asked by Councillors (**Orange pages**).

Members are reminded of the timescale adopted by Council for notice of questions. A Councillor may only ask a question if:

- It is delivered in writing to the Assistant Director for Legal and Governance by noon on 7 July, or
- If it relates to urgent business, the Assistant Director for Legal and Governance is notified at least half an hour before the start of the meeting and the Chairman agrees the matter is urgent.

11 Reports of Committees 25 - 38

To consider the reports of Committees and to receive answers to any questions asked on those reports as follows (**White pages**):

- a) Audit and Governance Committee; and
- b) Pensions Committee.

Agenda produced and published by Abraham Ezekiel, Assistant Director for Legal and Governance, County Hall, Spetchley Road, Worcester WR5 2NP. The above reports and supporting information can be accessed via the Council's website at: www.worcestershire.gov.uk

To obtain further information or a paper copy of this agenda please contact Simon Lewis, Committee Officer by telephone on Worcester (01905) 846621 or slewis@worcestershire.gov.uk

Date of Issue: Wednesday, 8 July 2020

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COUNCIL
16 JULY 2020**REPORT OF CABINET - SUMMARY OF DECISIONS TAKEN**

Approval of Worcestershire Children First's Business Plan

1. In September 2019, Cabinet approved Worcestershire Children First's (WCF) Interim Business Plan which was adopted in time for the launch of WCF and continued until 31 March 2020. The Business Plan is refreshed by WCF and approved by Cabinet on an annual basis. The draft Business Plan had been sent to the DfE and they had confirmed their support with no significant amendments.
2. The refreshed 2020/21 Business Plan maintains the previously agreed aims for WCF which are to improve outcomes for all children and young people (up to the age of 25) in Worcestershire, by addressing their needs holistically through excellent early help and prevention, education provision and social care. Its Vision, Mission and Values define the way WCF will work to improve outcomes for children and young people.
3. The Business Plan for 2020/21 outlines specific actions that WCF will focus on in the short term, including: implementation of Liquidlogic Case Management System, supporting delivery of the Early Help Strategy 2020-2024, the Troubled Families Programme and ongoing delivery of SEND and implementation of Family Safeguarding.
4. In the medium to longer term the Plan sets out that WCF aims to have national recognition for the quality of services it provides and the positive impact it makes to children and young people's lives.
5. The financial section of the Business Plan outlines the agreed contract sums which are shown as two separate elements, net funding from the Council's base budget and grants passed through to WCF to arrive at the gross contract price. In 2020/21 the net budget funded by the Council is £102.1m and the Gross cost £114.6m, which is equivalent to the budget set by Council in February 2020. The cost of learning and achievement services of c£6.5m, provided until 1 June this year by Babcock Services, had not been included in the WCF budget at this point. The contract price is being amended accordingly by contract variation.
6. Cabinet noted the contractual performance update, approved the WCF Business Plan for 2020/21 and noted the agreed contract sum for 2020/21 and indicative contract sums for 2021/22 and 2022/23 as included in the Business Plan.

West Mercia Energy – Treatment of WMS Pension Liability

7. The County Council, together with Shropshire Council, Telford & Wrekin Council and Herefordshire Council, is one of the member authorities (the 'Owning Authorities')

of West Mercia Energy Joint Committee, formerly known as West Mercia Supplies. At the point of sale of the West Mercia Supplies stationery division (WMS) in 2012, the existing pension deficit relating to the former WMS staff was retained within the continuing West Mercia Energy business and is overseen by the West Mercia Energy Joint Committee.

8. As one of the Owing Authorities, Cabinet has agreed to a request from the West Mercia Energy Joint Committee to take direct responsibility for the pension deficit liability. The pension deficit will be transferred directly to a new body 'WMS Pension' overseen by a new 'WMS Pension Joint Committee', made up of the same owning authorities.

9. WME's Risk Register identified a potential risk in bidding for future contracts while carrying the pension deficit liability for former WMS employees on its balance sheet, as potential customers will consider the financial position (through the accounts) of WME in assessing their bid. In order to facilitate WME in bidding for future contracts, the aim is to put it in a position where, at least initially, it is not carrying a pension deficit (and certainly not relating to former WMS employees) within the Shropshire County Pension Fund. For the change to happen, all 4 Owing Authorities had to agree to this proposal.

10. Cabinet agreed to remove the responsibility for the pension deficit liability in relation to former WMS employees, including compensatory added years benefits from the business of the WME Joint Committee with effect from 1 April 2020; to allocate the pension deficit liability to a new employer within the Shropshire County Pension Scheme, called WMS Pension and establish a Joint Committee with the other Owing Authorities to discharge the Council's functions in relation to this. Governance arrangements were also approved, and the Chief Financial Officer was authorised to progress and agree the details of the revised arrangements, including the final figures.

Resources Report – Revenue and Capital Budget Monitoring – Month 10 (31 January) 2019/20

11. Cabinet considered the 2019/20 outturn forecast for the Council's £330 million net revenue budget as at Month 10 (31 January 2020) and progress to date on the savings and reforms programme. The Council continued to deliver statutory services and deliver against its Corporate Plan although it was facing service cost pressures of £3.9 million (1.2% of budget), which included £2.9 million in relation to Adult Services.

12. This was after taking management action around Corporate Budgets to achieve £3.4 million from reducing corporate debt interest costs and pensions payments and withholding expenditure from the corporate contingency.

13. Cabinet noted significant underlying cost pressures with regard to the Dedicated Schools Grant (DSG) High Needs Block, which was forecasting a £9.5 million overspend, with schools forecasting an overall net deficit of £3.4 million on their retained balances.

14. The overall outturn forecast was for a net overspend of £3.9 million (1.2% of budget) at the end of 2019/20. This included a £3.5 million forecast overspend on services, and £6.8 million relating to the timing of the achievement of savings plans,

offset by a £3 million planned withdrawal from earmarked reserves, and £3.4 million forecast underspend on corporate items. It was likely that the £3.9 million net overspend (1.2% of budget) would need to be funded from earmarked reserves (Financial Risk)

15. The Council had set aside £250,000 from the 2019/20 budget to support residents and businesses most affected by the winter floods. This money was in addition to, and goes further than, what the Government had promised to support.

16. Officers were also evaluating total costs incurred by the Council during the response for a potential claim under the Bellwin Scheme. Cabinet authorised expenditure up to £0.7m from earmarked reserves (the amount beneath the Bellwin Scheme threshold) to support recovery expenditure from the flooding.

17. At time of issuing the report, the Council was taking action and confirming public health and business continuity plans in reaction to the outbreak of Coronavirus. An initial allocation of £0.2 million from earmarked reserves to fund this activity was made but by the time of the Cabinet meeting circumstances had changed. The Chairman of the Overview and Scrutiny Performance Board was consulted and agreed to Cabinet considering additional information about the pandemic and implications for the Council and its services. He also agreed that the Cabinet would need to take urgent decisions about allocation of Government Grant which may fall outside the Council's budget and policy framework. This Cabinet report sets out the reasons for the decisions as required by the Constitution.

18. Cabinet noted that the County Council had been allocated £14.9m of unringfenced grant to support local responses. A further £1.3bn had been allocated nationally to support the discharge of patients in hospital to social care and this would be funded via the local CCG's.

19. At the time of the meeting the Coronavirus Act had just been passed. In addition to authorising the unringfenced grant to be included in the revenue budget, Cabinet delegated authority to senior officers to take appropriate action in relation to the coronavirus pandemic and make temporary changes to policies as necessary arising from the Coronavirus Act and other guidelines or directions.

Corporate Landlord and Facilities Management

20. The Cabinet has considered an exempt report arising from a review of the direction and form of commissioning that the Council is seeking for the delivery of property services, including facilities management and project management.

21. The Chairman of the Overview and Scrutiny Performance Board had been consulted and agreed that this decision needed to be implemented urgently because of the timescale for giving notice to PPL of withdrawal.

22. Cabinet agreed to authorise the Strategic Director for Commercial and Change to serve notice on Place Partnership Limited (PPL) by 31 March 2020 of the Council's intention to withdraw from the service agreement with effect from 31 March 2021, when the Council will also give up its shareholding in the company. The Strategic Director for Commercial and Change in consultation with the Leader will work with appropriate partners and support services to draw up an alternative model for delivery

to be in place by 31 March 2021, including TUPE considerations and business needs. He was also authorised to take all necessary financial and contractual actions necessary to ensure the continued delivery of property services. Cabinet will receive a further report, following pre-scrutiny, to approve the alternative model for delivery.

COVID-19 Response and Restart

23. Cabinet has considered a comprehensive summary of the Council's response to the Covid-19 outbreak across all services. This included how the Council's corporate emergency response framework aligned to the regional Local Resilience Framework structures and a 'One Worcestershire' approach involving Worcestershire Children First, District Councils and other partners. Subsequently Cabinet considered an update on the response and actions being taken for recovery and restart of services.

24. Following delegation by Cabinet in March, officers made a number of decisions as part of responding to the virus in the County, some of which were required by Government. These were logged as Records of Officer Executive decisions on the Council's website and include provision of PPE, Here2Help, development of the Adult Social Care Access Centre and purchase of care. In addition, various management decisions were made relating to the response, including closing County Hall to the public once the remote delivery of services was established.

25. In the People Directorate, all people in receipt of social care were risk assessed to ascertain their level of need and contacted as appropriate. Their care and support plans were reviewed and revised to ensure that appropriate levels of care and support were in place.

26. The Urgent Care and Community Hospital Teams responded to the need to support discharges, within 3 hours, 7 days a week, 8am – 8pm. This involved re-deploying staff from other social work teams, block purchasing care home beds and increasing the capacity of Pathway 1 (support at home). The Council also contracted with two local hotels to provide safe accommodation for people who were discharged 'home' but unable to do so immediately due to infection risk to other household members. This contract ended on 30 June as the initial wave of cases dropped.

27. Worcestershire's COVID-19 Care Home Support Plan was published on 29 May 2020. This sets out how key partners across Adult Social Care, Worcestershire Public Health, Public Health England, the Clinical Commissioning Group (CCG) and other health partners work together to support care homes. The support plan includes current and future plans for co-ordination of infection control measures, testing programmes, training, HR support, and co-ordination and distribution of PPE.

28. Planning for the recovery phase includes the new block contract which was commissioned with a home care agency being now fully operational and the future commissioning strategy for domiciliary care being updated to ensure that current and future needs arising from COVID-19 and post-COVID-19 can continue to be met. Discussions are taking place with externally commissioned day services in relation to a potential phased re-opening of services as national lockdown conditions are eased.

29. For self-funders in care homes whose capital has fallen below the £23,750 threshold, the Council has continued to fund their care home placement and has not followed the usual process where it explores where there is a better value placement available. This aimed to reduce the risk to people of transferring from care home to care home; minimise the impact on the care home market and reduce family anxiety caused by a potential care home move in such challenging times. All these 'self-funding pickups' have been notified that these arrangements will be reviewed within 6 months.

30. Some of the day services for people with Learning Disabilities are starting to reopen. Fewer people can initially return to their day service support and these will be prioritised by need – noting that all service users have been risk assessed and those with the highest risk of carer breakdown will be prioritised for day service support in the first phase. Changes to service delivery, put in place during the pandemic, have given rise to different ways of working and support being provided in people's homes or by staff and/or volunteers in the community, close to people's homes. Consideration is now being made to how the service may be improved and/or re-designed to continue with local and community-based support in the future.

31. The Council's home care service has continued, throughout the pandemic, with staff re-deployed from other areas of the People Directorate to ensure appropriate capacity to domiciliary care provision given in people's homes and in the County's prisons. The service is now planning to introduce the Community Reablement service, due originally to go live in April 2020 – it is envisaged that this service will be promoted and be in place from the Autumn.

32. Every Upper Tier Local Authority in England was required to create a local Outbreak Plan, led by the Director of Public Health (DPH), by the end of June and WCC will be allocated a share of £300m to fund these.

33. Plans should cover 7 themes set out nationally and can be locally developed and refined through a new local Covid 19 Health Protection Committee. This committee will go on to oversee management of outbreaks, ensure that appropriate resources and SOPs are in place for outbreak management and reflect on learning to identify improvements for future outbreak management.

34. A Member led 'Covid 19 Local Outbreak Engagement Board' is being developed to provide effective public communication and democratic oversight of the management of outbreaks.

35. Schools and settings were closed to most children from 20 March 2020, remaining open only for children of critical workers and vulnerable children. Schools continued to work with children remotely to ensure that education continued although in a different way.

36. The Worcestershire Education Incident Planning Group for COVID-19, consisting of WCF, WCC and school leaders from all phases, agreed a set of basic principles some of which have been in place throughout the COVID response period and some relate to the basis of working towards recovery. Wider opening of schools commenced on 1 June and WCF produced a detailed risk assessment framework for schools to use to ensure that they were considering all reasonable action to take to ensure that they could safely welcome more pupils.

37. The social care and safeguarding service has worked under the Covid 19 service delivery protocol introduced from the beginning of April which set out the approach to delivery in light of the need to minimise community spread of the virus and cope with the reduction of staff capacity. From 1 June the service delivery protocol has been updated to phase 2 'road to recovery'. This includes resumption of direct 'face to face' work with children to support well-informed professional judgements about support and protection planning and resumption of Family Front Door management of contacts and referrals.

38. All libraries were closed on 24 March and the speedy introduction of a Digital Library Hub was established to help Worcestershire residents stay active and connected with their communities. Cabinet noted plans for reopening libraries and the County Museum at Hartlebury Castle in line with Government Guidance.

39. Library re-opening plans also include emergency plans for closing in response to the possibility of a second wave of Covid 19 and have also ensured that requirements to sustain the Here2Help service, with appropriate levels of support continuing, can be met.

40. Highways reactive and safety critical works continued throughout the lockdown period, including gully emptying and street lighting works. There was also an opportunity to catch up with the huge number of flooding enquiries received.

41. Following the Lockdown announcement on 23 March 2020, the majority of construction work on Major Infrastructure Projects was temporarily suspended and sites safely closed down. This was due to supply chain matters, resourcing, being able to socially distance, confidence to be able to safely finish work started.

42. Where possible on-site work continued, including Worcestershire Parkway – Platform 2 works and snagging, Kidderminster Station – internal / external works and seasonal / critical survey works and inspections. Non-construction work on infrastructure projects continued throughout the period e.g. design works, business case development and planning development

43. The internal Fleet team supported a number of specific response activities including receipt, storage and distribution of 400+ food parcels, support for delivery of medical supplies and support for transportation of Waste Collection Operatives for district councils. Transport continued to be provided for children of key workers.

44. A COVID-19 Bus Services Support Grant of £336k was received from the DfT to support services through the challenging period. Early access was also granted to funding for supported bus services of £468k. In March, Officers decided to maintain 100% of the contract payment for operators and maintain the levels of concessionary and Severncard reimbursements.

45. In May, the Department of Transport also announced additional funding for active travel response to recovery post COVID-19. The funding is divided into two phases, Phase 1 is for the immediate response as part of recovery, Phase 2 is to support long term actions, in line with the Council's Transport Strategy, LTP4.

46. A package of proposals for Phase 1 has been submitted which supports the delivery of active travel routes and policies set out in Local Transport Plan 4 (LTP4). The focus of the interventions is on key commuting routes supporting permanent future upgrades through small scale works such as changes to the white lines and signing.

47. The Waste Management Service continued to operate throughout the response period with the key waste facilities of EnviroSort, EnviRecover and the Landfill site remaining fully operational. Following the introduction of the "lockdown", all Worcestershire Household Recycling Centre HRCs in Worcestershire were closed reflecting the overall position of "Stay at Home".

48. 7 of the 11 Household Recycling Centres in Worcestershire reopened as of Monday 11 May 2020. This recognised the need for higher levels of resourcing in order to operate the sites safely in line with the new social distancing requirements.

49. The Council's Procurement Team undertook several critical activities including establishing a PPE centre to source, stock and distribute PPE items & hand sanitiser to care homes, domiciliary care providers, personal care assistants, hospices, GPs, dentists, funeral directors, district councils and schools; creating a food preparation and distribution hub at County Hall to deliver food boxes to individuals in crisis and catering packs to street kitchens and food banks and arranging alternative temporary accommodation for hospital discharge, rough sleepers and homeless people.

50. Going forward working with local partners and providers, it is proposed that the County Council will run and manage a One Worcestershire Storage hub for PPE for our care providers to maximise economies of scale and purchasing power in buying this equipment. A storage facility will be leased and managed by the County council with these costs sought to be recovered via Government funding, however the PPE itself will be charged at actual purchase cost to providers.

51. Cabinet has noted and endorsed the action taken by the Council in the pandemic and in restart planning to date; noted the revenue expenditure incurred to date and receipt of Government grant and approved the setting up of a One Worcestershire central PPE store hub for care providers.

Covid-19 Economic Restart Plan

52. Jointly with Worcestershire Local Enterprise Partnership (LEP) partners, the Council formed a Worcestershire COVID-19 Economic Response, Recovery and Resilience Group (WCERG) which first met in March 2020. The WCERG has developed a clear seven-point action plan to support economic restart and for each area the group has identified actions already being undertaken, areas of support and activity that can be repurposed to have greater impact during this current situation.

53. As part of the response to the business support workstream and to support the restart of the local economy a fund is proposed of up to £3.57m from the Council's Open for Business Reserves (of which £2.1m is capital).

54. Cabinet has noted and endorsed the action taken by the Council in supporting the county-wide activity of the Covid-19 Economic Response and work to date on the Economic Recovery Plan; approved the use of £3.57m of Open for Business Reserves to be used to fund grants to support local businesses as part of economic planning and will continue to review resources required to support the restart.

Revenue and Capital Budget Monitoring – Financial Outturn

55. Cabinet considered a report detailing the provisional financial results for the year ending 31 March 2020 subject to external audit and noted progress to date on the savings and reforms programme.

56. The report identified that the Council overspent its £330 million budget by £0.3 million (0.1%), a reduction from the previous overspend forecast of £3.9 million reported to the March Cabinet meeting.

57. Cabinet endorsed the financial performance for the year ending 31 March 2020 and the unaudited Annual Financial Report and Statement of Accounts 2019/20; approved updates to earmarked reserves and general balances and noted the emerging financial issues for 2020/21 as a result of the Covid-19 pandemic.

Review of Delivery Model for Medical Education Provision

58. In January 2020 Cabinet received an initial report proposing a review of Medical Education Provision in Worcestershire. The report set out the full context and case for conducting a review into Medical Education Provision for Worcestershire children and young people and Cabinet approved a timetable and process for the review. This envisaged redesign proposals to be brought to Cabinet in June this year with phased implementation from September.

59. In order to allow sufficient time for the coproduction and engagement with stake holders currently delayed by Covid-19, the change-over in school years, as well as other parallel reviews and work which have been referenced, a new timeline has been approved which envisages re-design proposals and recommendations being reported to Cabinet during the autumn.

Scrutiny Report – Care Work as a Career

60. Cabinet has considered the report of the Scrutiny Task Group which investigated how the Council could promote and develop care work as a career and how the existing care workforce can be better supported and celebrated. This was in response to a Notice of Motion agreed by Council in February 2019.

61. Recommendations included prioritising a publicity campaign to increase understanding of the carer role; examining the influence that the Council can bring to bear on terms and conditions of care workers through the commissioning process; scaling up the provision of care work apprentices; liaison with education and training providers and learning from others.

62. The Cabinet Member with responsibility for Adult Social Care accepted 10 of the 12 recommendations in the report, partially accepted one and rejected the other. Cabinet noted the report's findings and recommendations and adopted the response of the Cabinet Member with Responsibility as the way forward.

Mr S E Geraghty
Chairman

Contact Points

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Specific Contact Points for this report
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Background Papers

In the opinion of the proper officer (in this case the Assistant Director for Legal and Governance) the following are the background papers relating to the subject matter of this report:

Agenda and background papers for the meetings of the Cabinet held on 26 March, 4 and 25 June 2020.

<https://worcestershire.moderngov.co.uk/ieListMeetings.aspx?CId=131&Year=0>

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COUNCIL
16 JULY 2020**CONSTITUTIONAL MATTERS**

(a) Council meeting dates 2021**Recommendation**

1. **The Assistant Director for Legal and Governance recommends that the Council approves its meetings for 2021 as follows:**

14 January
18 February
20 May
15 July
9 September
11 November

2. County Council meeting dates are currently scheduled up to November 2020. To enable the 2021 meetings programme to be produced, the Assistant Director Legal and Governance suggests that further meetings of the Council are now scheduled for 2021. In accordance with the usual practice and pattern of meetings, further meetings (Cabinet, Committees and Panels) will be arranged in the light of the Council dates and members notified in due course.

3. Members may wish to note that the remaining Council meetings for this year are scheduled for 10 September and 12 November 2020.

(b) Political Balance

4. The Assistant Director for Legal and Governance recommends that Council approves the recalculation of political balance set out in Appendix 1 and requires him to give effect to it in accordance with the nominations from the respective Group leaders from time to time.

5. Council in January 2020 agreed revised political balance following the Bromsgrove South by-election and the resignation from the Conservative Group of Mr R Bennett. Mr Bennett has subsequently re-joined the Conservative Group.

6. It is therefore proposed that the Conservative Group gains a place on the Planning and Regulatory Committee (which increases in size by 1) and on the Economy and Environment Overview and Scrutiny Panel (which also increases in size by 1).

7. The membership of the political Groups as of 6 July 2020 is:
- Conservative 41(+1)

- Labour 9
- 2017 5
- Independent Alliance 2

8. Legislation requires that the allocation of seats on ordinary committees must, as far as reasonably practicable, be in accordance with the principles of political balance. These principles are based on the membership of political Groups within the Council which members join, rather than political parties as such.

9. Political balance principles are that the majority Group is entitled to a majority on each committee; subject to this, the aggregate allocation of committee seats overall should reflect political balance, and subject to this, individual committee membership should reflect political balance as far as practicable. Council can depart from these principles in allocating seats provided no member votes against doing so.

10. A proposed allocation of seats on Committees is set out in Appendix 1 reflecting the political composition of the Council, and which is compliant with the principles of political balance.

11. Changes in the individual membership of committees would be made by the Assistant Director for Legal and Governance in accordance with the nominations from the respective political Groups in accordance with the Local Government and Housing Act 1989.

(c) Chairmen and Vice-Chairmen of Member Bodies

12. The Council needs to make the appointments to various chairmanships and vice-chairmanships of member bodies and of Lead Scrutiny Members. The nominations for a number of appointments are set out in the Appendix 2 to this report, which will be circulated separately to the agenda.

13. The Head of Legal and Democratic Services recommends that the constitutional appointments as set out in Appendix 2 to this report be confirmed.

(d) Attendance at Meetings of the Authority

14. During the current Coronavirus situation, Council meetings are being held using remote technology in accordance with Regulations made under section 78 of the Coronavirus Act 2020. Although the Council has held a number of meetings recently, some were cancelled in the early days of the Covid-19 outbreak. This and the potential for a member to be unable to connect to a meeting and a risk of not being able to attend means that the opportunity for attendance may be reduced as a result.

15. The provision in law for a member to be removed from office automatically through non-attendance at meetings for a period of 6 consecutive months is still in place. The Council can approve reasons for non-attendance in advance to prevent automatic disqualification from office. It is therefore suggested that Council approves for all Councillors these reasons for non-attendance (cancellation of meetings and inability to join a remote meeting) and the situation is reviewed in January 2021.

16. The Assistant Director Legal and Governance recommends that under Section 85 of the Local Government Act 1972, the Council formally approves the reasons

for the failure of any member of Worcestershire County Council to attend meetings of the authority, and that the matter be reviewed in January 2021.

Contact Points

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Specific Contact Points for this report

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Supporting information

Appendix 1 – Political balance

Appendix 2 - Nominations for constitutional appointments (To follow)

Background Papers

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

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16 July 2020 Appendix 1

Political Structures - Proposed Allocation of Places

A - Committees

	TOTAL	CON	LABOUR	2017	IND
Planning & Regulatory Committee	15	11	2	1	1
Standards & Ethics Committee	8	6	2	0	0
Pensions Committee	5	4	1	0	0
Waste Credit Governance Committee	8	6	1	0	1
Audit & Governance	8	6	1	1	0
Appointments etc Panel	6	4	1	1	0
Scrutiny					
OSPB	8	6	1	1	0
HOSC	9	6	1	1	1
Children & Families	9	6	2	1	0
Corporate and Communities	9	6	1	1	1
Economy & Environment	9	6	2	1	0
Adult Care and Well-being	9	7	1	1	0
TOTAL	103	74	16	9	4

B - HEREFORD AND WORCESTER FIRE AUTHORITY

TOTAL	19	13	3	2	1
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COUNCIL
16 JULY 2020**NOTICES OF MOTION**

Notices of Motion Received

1. The Assistant Director for Legal and Governance reports that he has received the following 4 Notices of Motion. The Constitution provides that any submitted motion must be moved and seconded at the meeting. Otherwise, unless postponed with the consent of the Council, it will be treated as withdrawn.
2. If a motion is in relation to the exercise of an executive function it will be referred to the Cabinet for decision (if applicable this will be indicated below). Otherwise the Council may decide itself to determine the Motion, or refer it to the Cabinet or another appropriate Committee for advice before determining it at the next available meeting.

Notice of Motion 1 – Wheels to Work and Education

3. **This motion is in relation to the exercise of an executive function and will therefore be referred to Cabinet for a decision.**
4. Notice of Motion standing in the names of Mr M E Jenkins, Mrs F M Oborski, Mrs E B Tucker, Prof J W Raine and Mr T A L Wells:

“Many County Councils operate a ‘Wheels to Work’ Scheme, to help residents access employment and other key services, such as education, where public transport might not be available. Worcestershire County Council operated a scheme in the 2000s, but it was stopped when Government funding for travel planning was removed.

Instead of closing down their schemes, some other local authorities sought to continue the scheme by appointing local private sector partners to administer the scheme on behalf of the County Council, with the partners re-charging the grant element of the scheme to the Council.

Locally, Staffordshire County Council’s Wheels to Work scheme is an excellent example, which offers either the loan of a bicycle or a moped, with appropriate safety equipment, for a period of 6 months. See here:
www.staffordshire.gov.uk/transport/wheels/RASPpage.aspx

Reinstatement of a “Wheels to Work & Education” scheme in Worcestershire could provide genuine, low-cost alternatives to enable many residents to get to work or education who are unable to use passenger transport due to COVID-19 restrictions, lack of service provision or other constraints.

Rather than offering mopeds, however, e-bikes would be a cheaper and more environmentally sustainable option.

Phase 2 of the government's Active Travel fund could be used to set up such a scheme in Worcestershire. Alternatively, following Staffordshire, we could appoint local private sector partners to administer the scheme on behalf of the County Council.

We therefore request that Cabinet investigates bringing back a "Wheels to Work & Education" scheme that makes bikes and e-bikes available to help residents, especially younger ones who are less likely to have a car, to access employment and education sites where public transport is limited or not available."

Notice of Motion 2 – Cycling

5. This motion is not in relation to the exercise of an executive function and the Council may decide to determine the Motion.

6. Notice of Motion standing in the names of: Mr R C Lunn, Ms C M Stalker, Mr L C R Mallett, Mr P M McDonald, Mr P Denham and Ms P Agar.

"This Council calls on OSPB to consider investigating within its new work programme, how in line with government policy, can cycling be promoted, made easier and safer across Worcestershire. This would include investigating how we as a Council could provide a greater provision, expansion and enforcement of cycling lanes, safe bicycle storage and increased cycling proficiency."

Notice of Motion 3 – Compliance with the 2010 Equalities Act

7. This motion is not in relation to the exercise of an executive function and the Council may decide to determine the Motion.

8. Notice of Motion standing in the names of Mr R C Lunn, Ms C M Stalker, Mr L C R Mallett and Ms P Agar:

"We call on Council to form a cross party committee to carry out a fundamental review of recruitment within the Council to ensure that Worcestershire County Council is in compliance with the 2010 Equalities Act and all other employment procedures and protocols."

Notice of Motion 4 – Apprenticeships and employment for the 16-24 age group

9. This motion is not in relation to the exercise of an executive function and the Council may decide to determine the Motion.

10. Notice of Motion standing in the names of Mr A D Kent, Mr J H Smith, Mrs R Vale and Mrs S A Webb:

"Many Worcestershire residents have been affected by the lockdown and consequences of the Covid 19 outbreak.

However our younger residents in the 16-24 age group have been severely affected due to local job losses and redundancies removing opportunities that they need to start in employment.

Worcestershire County Council is an ardent supporter of apprenticeships both within the Council and outside.

This motion calls on the cabinet member responsible to identify what measures can be taken by ourselves, our partners and Worcestershire LEP to promote opportunities for apprenticeships and employment for the 16-24 age group, ensuring that support and help is available to local employers to encourage them to invest in our youth.”

Contact Points

County Council Contact Points

County Council: 01905 763763

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Specific Contact Points for this report

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Background Papers

In the opinion of the proper officer (in this case the Assistant Director for Legal and Governance) there are no background papers relating to the subject matter of this report.

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COUNCIL
16 JULY 2020**QUESTION TIME**

Question 1 – Percentage of children returning to school

1. Mr P M McDonald will ask the Cabinet Member with Responsibility for Education and Skills:

"Can the Cabinet Member with Responsibility explain why the Children and Families Overview Scrutiny Panel were informed, that the Council did not know the actual percent of children out of those able to return to school who actually attended; although the Gold Command Report stated 60%?"

Question 2 – Government funding for sustainable modes of transport

2. Mr R C Lunn will ask the Cabinet Member with Responsibility for Highways:

"What attempts have been made by the Cabinet Member to secure Worcestershire's share of the monies allocated by central government to increase and promote cycling and other sustainable modes of transport? How will he ensure that this is distributed appropriately around the county?"

Question 3 – Unitary Authorities

3. Mrs F M Oborski will ask the Leader of the Council:

"All the information coming from the LGA indicates that later this year an expected Government White Paper on "Devolution" will indicate that the Government intends to force through Unitary Authorities based most probably on groupings of 5-7 Parliamentary Constituencies. This would indicate a likely single Unitary Authority for Worcestershire. In some other Shire Counties eg Hertfordshire and Surrey discussions are already being held as to what type of Unitary Structure would be most appropriate to those areas.

Could the Leader tell me:

What if any informal discussions have already been held with the Leaders of the 6 Worcestershire Districts? Whether and when he intends to set up formal discussions across the County?"

Question 4 – Surface dressings on the Spennells Estate, Kidderminster

4. Mr M J Hart will ask the Cabinet Member with Responsibility for Highways:

"Would the Cabinet Member for Highways reassure me that issues with the surface dressing on the roads on the Spennells Estate, within my Chaddesley Division will be properly addressed?"

Question 5 – Coronavirus Test and Trace Procedures

5. Mr S J Mackay will ask the Cabinet Member with Responsibility for Health:

"Can the Cabinet Member with Responsibility give an update of the success or otherwise of the Test and Trace Procedures that are being carried out within our County as compared to other authorities and is he confident that if we are subject to a further wave of infections later in the year we have access to sufficient supplies of PPE to accommodate all our settings?"

Question 6 – Active Travel bid

6. Mr M E Jenkins will ask the Cabinet Member with Responsibility for Highways:

"After only receiving 50% of the available money from phase 1 of the Active Travel bid, I would like to ask why our bid was considered so poor by the DfT, with it failing to meet the clear criteria set by the Department? What restrictions were placed on officers making the bid by the Cabinet Member for Highways?"

Question 7 – Flood Alleviation

7. Mr A A J Adams will ask the Cabinet Member with Responsibility for Environment:

"As you all know Worcestershire was badly affected by the terrible flooding that occurred last Winter. My own Division suffered terrible flooding in October, again in November, and a third time in February with many properties flooded in Broad Marston, South Littleton, Badsey, Cleeve Prior and Honeybourne including the local pub – The Gate Inn. Can the Cabinet Member with Responsibility for Environment, please update this Council on what action is being taken to alleviate flooding before next Winter to prevent our communities suffering again?"

Question 8 – Active Travel Government Funding

8. Mr P Denham will ask the Cabinet Member with Responsibility for Highways:

"Our bid to government for available funding for Active Travel improvements, during the COVID-19 emergency, resulted in Worcestershire residents being short-changed and receiving only half of the indicative funding available. We believe that the county's bid failed to meet the criteria set by government which included the desire to make it more attractive for short journeys less than two miles to be undertaken by walking or cycling.

Can the Cabinet Member advise us what he will do to ensure that this county gets its proper share of the second (and much larger) tranche of available government funding, so that residents in both urban and rural areas benefit from long-term measures which make short journeys on foot and bicycle to become more attractive?"

Question 9 – kerbside electronic vehicle charging machines

9. Mr R M Udall will ask the Cabinet Member with Responsibility for Highways:

"In January the government made available £10m for local authorities in England to apply for funding to install kerbside electronic vehicle charging machines. The government wanted to promote electric vehicle use. Has Worcestershire County Council applied for any of this money?"

Why has my request for the County Council to apply for some of this money to install EV Kerbside charging machines, which could earn revenue for the Council, to be installed as a pilot scheme in St John's, been ignored?"

Question 10 – Use of external buildings for teaching

10. Mr R C Lunn will ask the Cabinet Member with Responsibility for Education and Skills:

"In view of the pressing need to ensure that all children return to active schooling in September, what measures are being taken to use external buildings to ensure that as many children as possible are taught in a class environment?"

Question 11 – Diversity Training for Members

11. Mr M E Jenkins will ask the Cabinet Member with Responsibility for Transformation and Commissioning:

"I would like to think that all councillors in Worcestershire agree that black lives matter. However, we can all be susceptible to prejudices and unconscious biases that mean we may act in a discriminatory way without realising it. I would therefore ask that all councillors take part in a Diversity Training session. Can this be arranged?"

Contact Points

County Council Contact Points

County Council: 01905 763763

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Specific Contact Points for this report

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Background Papers

In the opinion of the proper officer (in this case the Assistant Director for Legal and Governance) there are no background papers relating to the subject matter of this report.

COUNCIL
16 JULY 2020**REPORTS OF COMMITTEES****(a) SUMMARY OF DECISIONS TAKEN BY THE AUDIT AND GOVERNANCE COMMITTEE**

Internal Audit Progress Report and Anti-Fraud and Corruption Strategy

1. There have been 4 limited assurance reports since the last report to the Committee: Long term placements (agency and consultancy); Business continuity; Governor support and training (thematic review); and School – fraud investigation. The Council is currently undertaking a Financial Systems key controls framework assessment which has replaced four compliance audits. This approach allows the Council to consider the overall assurance framework against key lines of enquiry and identify areas requiring more in-depth analysis.
2. The Council currently has 74 outstanding actions across 13 audits (compared to 93 actions over 23 audits reported to the December Committee). Of these 53% are overdue. The 10 actions which are over 12 months overdue relate to Northleigh Primary school. As previously reported the school is due to convert to an academy, although the date for this has been delayed. An update meeting has been taken place with the new Headteacher and Governing Body to agree a programme of implementation for the remaining actions.
3. The size and complexity of the County Council means that some irregularities are inevitable, and therefore, in addition to planned assurance work, several special investigations are needed each year and since the last report, a special investigation at school x has commenced following allegations about the business manager. This report has now been concluded and the allegations of fraud have been substantiated. The business manager has left the school and the matter referred to the police. The Committee has noted the Internal Audit progress report.

Internal Audit Plan 2020/21 to 2022/23

4. The Committee has approved the Internal Audit Plan 2020/21 to 2022/23 which details the approach taken to provide controls assurance to the Council. The Committee has approved the Internal Audit Charter which details how the audit service will be provided to the Council.

External Audit - Council and Pension Fund Audit Plans and Informing the Audit Risk Assessment

5. On behalf of Grant Thornton, the Council's external auditor, Peter Barber, Key Audit Partner and Helen Lillington, Audit Manager presented the Audit Plans for the County Council and Pension Fund accounts together with an Audit Risk Assessment report. The Committee noted the content of the external audit plans and the Informing the Audit Risk Assessment report.

Income Management

6. A deeper analysis of corporate debts that are over 30 days old has been undertaken. Negotiations have continued with strategic partners over debts they have with the Council. Although this is not proving to be a quick process, increased efforts have been carried out to find resolutions.

7. The Council's adult social care home care debt is around £2.1 million. Whilst the majority of this debt is set up to be collected automatically by Direct Debit, there are a significant number of telephone calls received by the finance team to discuss either accounts or to enquire into details of the provision of home care, the latter calls need to be passed to operational social care colleagues to respond to. Teams are finding it difficult to respond quickly to the volume of incoming calls, made worse if they subsequently need to be passed on to others whilst customers wait on the line to be connected to the right person. Whilst accounts are under query, they often need to be blocked for collection and therefore balances are included in debts outstanding.

8. In order to reduce debt, a better resolution of queries needs to be facilitated so that accounts will be paid, and as such a new telephony process is being implemented together with updating the design of the billing documents and reminder letters. Whilst this sounds straight forward, it involves a number of different Council teams, Liberata and Advanced (the supplier of our general ledger accounting system) to co-ordinate efforts. Implementation is expected during April, from which time calls will be routed direct to the appropriate team and this will ultimately improve collection rates and be a better contact experience for customers. Resources are being increased around chasing failed direct debit payments and working with the Council's service supplier Liberata on process and data improvements.

9. The latest level of short-term debt stands at £16.3 million, 66% (£10.7 million) of which was raised this financial year. Of the total debt recorded, £10.417 million (64%) is greater than 30 days old. Senior officers are discussing with the education sector, Council and NHS debtors to obtain payment. Where companies owe money, the Council is liaising with operational managers responsible for contracting with it to ensure the most appropriate debt collection method is chosen. In addition to the general debt, the Council has a Longer-Term Debt that it recognises of c.£3.6 million relating to social care accrued accommodation costs. This debt is secured against property assets pending sufficient house value. This is regularly reviewed, and charges secured against properties.

10. The County Council currently holds on its balance sheet £14.977 million of Section 106 monies relating to around 220 highways schemes as at February 2020. It is expected that the Council will receive further Section 106 monies in the near future relating to several signed agreements and there are several other schemes which are in development, but no formal agreement is yet in place. There are currently £14.460 million of estimated contributions of Section 106 monies from signed agreements relating to around 120 schemes as at January 2020 with £12.052 million of Section 106 funds held. Looking forward, the Chief Financial Officer, through the Hereford and Worcester Treasurer's Association, will aggregate and corroborate all S106 monies held either by the County Council or District Councils, to support most appropriate and timely use of monies received. The Committee has noted the report.

Financial Resilience Index

11. The Council reviews a range of indicators and data in assessing its own financial resilience. One of those data sets is the CIPFA Financial Resilience Indicators. The latest data set which looks backward at 2018/19 is in line with the Council's financial strategy and plan. It identifies that the Council's reserves remain low compared to some authorities, and the change in those reserves in previous years was greater than others. However, this needs to be considered in context of the cause and where the Council is today. Looking back there was a draw on reserves due to the holding of reserves in directorates that was recognised in 2018/19 and action taken. The draw on reserves has thus been significantly reduced. At the same time during 2019 a Financial Risk reserve was approved by Council funded from the accounting gain of the change in our Minimum Revenue Provision (MRP). This reserve was set aside to corporately manage cross Council risks and provide greater stability to enable good financial planning. This has proven sound financial management in recent weeks with allocations for the potential risk that materialised in relation to the floods and services coming in line with budgets. Going forward it is thus expected that the resilience will improve and whilst reserves will remain low it instils and drives a culture of robust financial decision-making. This will continue to be monitored and reported to the Committee and Council. The Committee has noted the report.

Statutory Accounts 2019/20 Progress and Accounting Policies

12. The accounting policies are the principles, bases, conventions, rules and practices applied by the Council that specify how the financial effects of transactions and other events are reflected in the financial statements. As in 2018/19, the notes to the 2019/20 Statement of Accounts will include the relevant accounting policy.

13. Following a review, there are no changes proposed to the Council's accounting policies for 2019/20 with the exception of the items noted below:

- Future accounting standards: IFRS 16: Leases - to highlight new arrangements for the accounting of leases from 1 April 2020; and
- Group Accounts – to disclose the basis of identification of the group boundary and the preparation of group statements.

14. The Committee has noted the work in preparation for the 2019/20 Statutory Accounts and approved the changes to the accounting policies for 2019/20.

Corporate Risk Report

15. The Corporate Risk Register provides a mechanism for collating and reporting risks that could affect the delivery of corporate objectives. In April 2017 the Council adopted an electronic risk register tool to hold in one place all the major risks identified by individual Directorates and major projects. A scoring system is used to rate individual risks. This allows risks to be ranked and provides a view of the highest risks identified across the organisation.

16. At the end of Quarter Three 2019/20 there were 130 individual risks entered in the risk register of which 15 were identified as high / "red" risks. Individual risks have been grouped for the purposes of reporting here. The highest risks have been grouped into seven risk areas, following discussion by the Corporate Risk Management Group (CRMG) and the Performance and Transformation Board which are: Safeguarding vulnerable children; Education; Demand for adult social care; key supplier markets; Compliance management of the Council's estate; Business continuity response to major event; and Financial control.

17. The risk to Council Services and the local economy as a result of EU Exit is rated as amber. The risk area associated with staff capacity, capability and productivity (a previous red corporate risk) is not included as it has been reported as amber for the past four quarters. The Committee has noted the latest update of the Corporate Risk Register including mitigating actions identified in respect of red risk.

Work Programme

18. The Committee has noted its future work programme subject to the addition of a report to a future meeting on the outcome of the Tony Redmond Review into the quality and effectiveness of the audit of local authorities.

Mr N Desmond
Chairman

Contact Points

County Council Contact Points

County Council: 01905 763763

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Specific Contact Points for this report

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Background Papers

In the opinion of the proper officer (in this case the Assistant Director for Legal and Governance) the following are the background papers relating to the subject matter of this report:

Agenda papers for the meeting of the Audit and Governance Committee held on 13 March 2020.

<https://worcestershire.moderngov.co.uk/ieListMeetings.aspx?CId=135&Year=0>

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COUNCIL
16 JULY 2020**REPORTS OF COMMITTEES****(b) SUMMARY OF DECISIONS TAKEN BY THE PENSIONS COMMITTEE**

Pension Board and Pension Investment Sub-Committee Minutes

1. As set out in the Terms of Reference of the Pension Investment Sub-Committee (PISC), all decisions taken, and recommendations will be reported back to the next available ordinary meeting of the Pensions Committee in the form of the minutes of the PISC. In addition, the Pensions Board has requested that their deliberations be reported to the Committee. The Committee noted the Minutes of the PISC. Unfortunately, the scheduled meetings of the Pension Board did not take place.

LGPS Central Update

2. Discussions have been ongoing between the 8 Partner Funds (including Worcestershire Pension Fund) in relation to the setting of the 2020/21 budget. This has now been agreed as a cash limited budget at £11.728m an increase of 5.1% compared to the 2019/20 annualised budget of £11.158m.

3. The updated 2019 Cost Savings Model presented to Committee in January was forecasting £284m of collective cost savings from the launch of the Pool in April 2018 to March 2034. The estimated impact for Worcestershire Pension Fund (WPF) was a forecast loss of £0.281m at the end of 2033/34 compared to the £3.977m saving in the original model. Although an updated cost sharing model with the proposed revised budget is not yet available, the proposed budget reduction from that previously presented, is likely to have a minimal impact for WPF on the cost sharing highlighted in January 2020.

4. The transition across of the Corporate Bonds mandate to LGPS Central has now been completed. There are no further transitions planned at this stage but are presently looking at potential infrastructure investments with LGPS Central. LGPS Central had appointed Susan Martin as a Non-Executive Director and are still looking to appoint a Head of Private Markets. The Committee were informed that the Head of Responsible Investment had left his position at LGPS Central. The Committee were concerned about the risks to the Fund, particularly in the current circumstances of a volatile market place, and the impact that these top level staff upheavals at LGPS Central could have and asked that these concerns be raised by officers at their next meeting with the Chair and Chief Executive of LGPS Central. The Committee has noted the LGPS Central Update.

Actuarial Valuation and Pension Fund Strategy Statement

5. The purpose of the Funding Strategy Statement (“FSS”) is to set out a clear and transparent funding strategy that will identify how each Fund employer’s pension liabilities are to be met going forward. Several areas have been updated since the last report to Committee in December and the Committee has noted the Final Funding Strategy Statement.

6. The actuary provided an initial draft of the 2019 valuation rates and adjustment certificate using the same approach as 2016 to certify a 3-year valuation. The Committee has noted the Initial draft of the 2019 Valuation rates and adjustment certificate.

7. A partial Government response on Changes to the Local Valuation Cycle and the Management of Employer Risk covering Exit Credits was published on 27 February 2020 and came into force on 20 March 2020. The response to the remaining parts of the consultation e.g. moving to a 4-year valuation cycle are promised “in due course” and no timescale was given. This change was intended to clarify the position on Exit Credits payable to employers exiting from a Fund where there are risk sharing arrangements between the employer and the original contracting authority and is backdated to apply from 14 May 2018 when Exit Credits were first introduced into the LGPS. Whilst the Regulations undoubtedly provide the regulatory support to Funds when they determine their policies on payment of Exit Credits, whether they provide absolute clarity to Pension Funds is perhaps debatable in terms of how the process is governed.

8. Worcestershire Pension Fund policy around exit credits has been provided for within the FSS covering instances where employers have and do not have guarantors participating in the Fund. The level of exit credit will vary dependent on the employers funding levels and risk sharing agreements in place. The Chief Financial Officer has therefore been granted delegated authority to undertake any dealings with exit credits except for those above £0.5m which may only be undertaken in consultation with the Chairman of the Pensions Committee.

Good Governance Reviews and Objectives of the Fund’s Investment Advisor

9. The Committee received a position statement to summarise how the Pension Fund is taking forward the LGPS Scheme Advisory Board’s (SAB) Good Governance workstream in preparation for draft statutory guidance being issued. The key proposals related to an ‘Outcomes-based approach to LGPS governance; Enhanced training requirements; and updates to relevant guidance and better sign-posting. The Committee has noted the Scheme Advisory Board (SAB) ‘Good Governance’ review and Worcestershire Pension Fund ‘Good Governance’ position at the March Committee and a further update was provided at the June Committee.

10. In addition to the work being undertaken by the SAB, The Pension Regulator (TPR) also published its report in September 2019 into the governance and administration risks in public service pension schemes. The key areas of focus that were covered within the findings and recommendations, together with case studies were as follows and these will be considered alongside the SAB governance review: Record keeping; Internal controls; Administrators; Member communication; Internal Disputes Resolution Procedure; Pension Boards; Employers and contributions;

Cyber security; and Internal Fraud and false claims. The findings and recommendation from the TPR review will be considered alongside the outcome of the SAB 'Good Governance' review. The Committee has noted TPR governance review.

11. On the 31 July 2019, TPR published guidance on the implementation of the Competition and Markets Authority Order which similarly reflects the position that the LGPS, within the scope only of the Investment Consultancy strategic objectives requirements. Administering authorities should take note of the DWP consultation and TPR's guide "Setting Objectives for the Provider of Investment Consultant Services" IC Objectives Guide. This may result in the Pension Fund setting up formal objectives for its Investment consultancy advisor. The Committee has agreed the objectives for the Fund's Investment Advisor subject to a more detailed reference to the Fund's approach to monitoring portfolios.

Pension Investment Update

12. The Committee has noted the Independent Financial Adviser's fund performance summary and market background. The Committee has noted the update on the Investment Managers placed 'on watch' by the Pension Investment Sub-Committee.

13. After taking into consideration all due diligence, the Pension Investment Sub Committee agreed to invest £50m into the British Strategic Investment Fund (BSIF), a Fund with a mixture of Property and Infrastructure assets. The previously agreed £30m investment in the Venn Commercial Real Estate Fund II has also finally been concluded and both the investments are progressing. The Committee has noted the update on the Pension Investment Sub Committee's decision.

14. LGPS Central appointed Inalytics to provide transition oversight to look to provide as smooth as possible transition of the Active Corporate Bonds mandate into the LGPS 'Global active Investment Grade Corporate Bond Fund. The transition to the 2 appointed managers Fidelity and Neuberger by LGPS Central Ltd who became fully responsible for the performance of the sub-fund was completed on 5 June 2020. The Committee has noted the update on the transition of the Active Corporate Bonds mandate into the LGPS 'Global active Investment Grade Corporate Bond Fund.

15. The estimated funding level of the WPF in March 2019 was 91% with a deficit of £265m. There had been some recent significant volatility in the markets due mainly to the effects of the Coronavirus which has since been found to be unprecedented. This had a significant impact on our March 2020 estimated funding levels reducing to 81%, with a slight recovery in April 2020 and a further recovery in May 2020 to 88% funded. However, it is most likely that the market volatility will continue over the ensuing months which may impact on the overall funding levels. The Committee has noted the funding position compared to the investment performance.

16. River & Mercantile our Equity Protection Fund manager provided an update to the Pensions Investment Sub Committee on the 3 March 2020 and advised that no action at this point was necessary as the strategy was doing what it was set out to do. The Investment Sub Committee asked for a range of options / triggers based on different market scenarios that could be written into the existing Investment Management agreement so that action could be taken urgently if necessary. These were progressed and implemented with one of the triggers being if any of the

financial markets hit the bottom of the market cap for the protection level, i.e. the 70% then the Fund would exit from this Fund and bank the proceeds as there was no further benefit to be gained from the protection past this point. Due to the impact of COVID-19 the FTSE100 did hit the trigger point on the 23 March 2020 and the exit from the FTSE Mandate within the EP portfolio was exercised bringing in Funds of just over £27m which has since been reinvested back into the UK Passive portfolio. Discussions with River & Mercantile are currently taking place to explore further suitable options as the current mandate expires on the 7 August 2020. The Committee has noted the update on the Equity Protection current static Strategy.

17. The Committee has noted the update on Responsible Investment activities and Stewardship investment pooling and the Stewardship code. The Committee has noted the update on the LGPS Central report on the voting undertaken on the Funds behalf. The Committee has noted the update on the development of a Climate Risk Monitoring Platform.

18. Given the increased focus on Responsible Investment and particularly climate change, the Fund needs to conduct an Environment Social and Governance (ESG) audit to establish a baseline for the Fund for future action and consideration. The Committee has agreed the proposed (ESG) Audit be undertaken. Members have been asked for their view on where the Fund should be on the 'Spectrum of capital' ranging from a rating of 1 being the traditional forms of investment through to 8 being philanthropy. Based on the feedback so far, the consensus was that Members would like to see the Fund on a rating of 4 which is a mix of sustainable and impact driven investments. The Committee has noted the update on the feedback on the 'spectrum of capital.

19. The Committee also noted the update on the development of a Climate Risk Monitoring report and the proposed Environment Social and Governance (ESG) Audit and agreed the timeline and process specified as follows: i). Receipt of draft report Late September; ii). Set up a small working group of no more than 3 Members and Officers to review October to Mid November; and iii). Final report with recommendations to Committee in December 2020.

20. At the meeting on 17 March, the Committee were notified of the statement received from the LGPS Board which set out that "There has been a lot of disturbing news lately about the fall in stock markets and the potential resultant impact on defined contribution pensions. LGPS defined benefit pensions are not linked to stock market performance and are set out in statute. Although short term investment values may vary, the LGPS as a long-term investor is securely managed to address any longer-term impacts. LGPS Scheme members can therefore be assured that both their contributions and their pension, whether in payment or built up to date, will be unaffected."

Investment Strategy Statement Update

21. The LGPS Investment Regulations that came into effect from 1 November 2016 required all funds to publish a new Investment Strategy Statement (ISS) by 1 April 2017.

22. LGPS Central and the Funds Independent Investment adviser have provided support in reviewing the existing 2018 ISS and the recommendation from the Hymans Strategic Asset Allocation report that was presented to Committee in March 2019 have also been incorporated their suggested equity beliefs. The ISS has been updated to particularly strengthen the 'Stewardship and Responsible Investment (RI) areas and introduce the proposed 'Investment Pots' and have 3 Investment strategies being High, Medium and Low risk investment strategies. The Committee suggested that they would like these investment strategies to be called Growth, Medium and Cautious risk strategies as opposed to High, Medium and Low. The Committee has agreed the Fund's 2020 Investment Strategy Statement.

23. In order that the Fund delivers on its key objectives (ensuring that each employer takes the appropriate level of investment risk, giving each the best opportunity possible to achieve its long-term funding objective whilst increasing certainty of cost), the Fund has introduced three distinct investment strategies (Growth, Medium and Cautious risk). The Fund is required to monitor its investment strategy relative to the agreed asset allocation benchmark to ensure that it remains consistent with the overall objective. In addition to the fundamental review of the strategic asset allocation undertaken every three years, the Fund will monitor progress of employers within these Strategies on a regular basis. The Committee has agreed the monitoring arrangements for Employers for Growth, Medium and Cautious risk investment strategies.

Risk Register

24. The Risk Register is kept under regular review and, following the officer review in February the following changes have been made:

- two new risks have been added to the Register: WPF 31 (Pandemic) which has a residual risk score of 40; and WPF 32 (GMP rectification) which has a residual risk score of 15.

25. A further officer review took place in May 2020. The review paid particular attention to the risks posed by COVID-19. Some examples of risk areas where we have highlighted the impact of COVID-19 and the mitigation are:

- WPF 12 (mismatch in assets): Fund officers have liaised with all of the Fund's investment managers in response to the market volatility caused by COVID-19
- WPF 31 (pandemic): The Fund has proved that its staff can work from home to deliver a 'business as usual' service including the delivery of pensioner payroll successfully with the support of a small postal / scanning service at County Hall.
- WPF 28 / 18 (cyber-attack / failure of admin system): Business continuity reassurance has been obtained from Heywood following COVID-19
- WPF 25 (fraud by members): The Fund is keeping to the same standards following COVID-19 by requiring a member signature as authorisation and not taking instructions over the phone

26. No new risks have been added to the Register. Mitigating actions have been updated for actions that have been completed or changes to timelines. The Committee has noted the May 2020 Worcestershire Pension Fund Risk Register.

Business Plan

27. The Business Plan is reviewed and updated quarterly to deliver an extra management / governance tool to: help officers to manage the Fund's activities; and assist the Pensions Committee to ensure the ongoing management and development of the Fund is in line with longer term policy, objectives and strategy. The Committee has noted Worcestershire Pension Fund Business Plan as at May 2020 and the Administering Authority update. This also included the updated position statement on 'Good Governance'.

Pension Administration Strategy (PAS)

28. The PAS sets out the LGPS roles and responsibilities for the Worcestershire Pension Fund (WPF) and employers. The LGPS regulations do not require the WPF to have a PAS, but, if a PAS has been established, it must be kept under review. A draft PAS was sent to employers on 9 January and no comments were received.

29. . The key areas of change were in relation to: Investment pots consultation / notification / monitoring / management; Mandatory annual covenant reviews formalised; Employers specifically being required to retain data in line with our guidance, to include hours changes for all employees to ensure that we will be able to implement any McCloud remedy; Employers specifically being tasked with complying with TPR requirements; and the WPF to report on KPIs / data breaches. The Committee has approved the proposed changes to the Worcestershire Pension Fund Pension Administration Strategy to take effect from 1 April 2020.

Worcestershire County Council Pension Fund Administration Budget 2020/21

30. The forecast outturn for Worcestershire Pension Fund is estimated to be £12.752m compared to a budget of £12.630m, a difference of £0.122m. The main reason for the variance is investment management fees (increase of £0.153m) due to some commitments to Property and Infrastructure being drawn earlier than originally anticipated. An increase above budget for investment professional fees (£0.045m) has also been incurred for additional independent advice on the transition of Emerging Market and Bonds to LGPS Central and advice on Capital gains tax from the Fund's tax consultants. This is partly offset by the Guaranteed Members Pension exercise being undertaken in 2018/19 and thus saving on the 2019/20 budget (a reduction of £0.066m). This is within the £0.5m variation limit delegation to the Chief Financial Officer and in line with the Administration budget reported to the Committee in October 2019 when the variations were agreed.

31. The budget proposed for 2020/21 is £13.296m, an increase of £0.666m (+5.3%) from the original 2019/20 budget. The largest proportion of the budget (£11.383m) is investment managers' fees that largely depend on the value of assets being managed, and the investment return performance which depends on market conditions. This includes the management fees for the Equity Protection Strategy that has been implemented and the contribution towards LGPS Central. The

Committee has approved the Pension Fund Administration Budget, including manager fees, for 2020/21 totalling £13.296m.

32. The Committee has noted the indicative budget allocations for 2021/22 and 2022/23 and noted that variations against the budget will be monitored. The Committee has granted delegated authority to the Chief Financial Officer to the Pension Fund to approve variations to the budget of up to £0.5m.

Worcestershire County Council Pension Fund Training for Pension Committee Members

33. The Committee agreed a Training Policy and Programme on the 22 June 2018 and a comprehensive training programme has since been delivered on a quarterly basis. The Committee has adopted the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Public Sector Pensions Finance Knowledge and Skills and the CIPFA Knowledge and Skills Framework for Elected Representatives and Non-Executives in the Public Sector as the basis of its Training Policy and Programme. An update on the existing Frameworks is awaited and will be reported to the Committee when known. The Committee has noted the CIPFA Knowledge and Skills Framework for Members of Pension Committees.

34. The current Training Plan has been refreshed and it was proposed that the Pensions Committee, Pension Investment Sub Committee and the Local Pension Board adopt the Joint Training Policy and operate a joint approach to the delivery of training. The Committee has approved the Joint Training Policy for the Pensions Committee, Pension Investment Sub Committee and the Local Pension Board.

35. As agreed by the Committee in March, all members of the Committee, Pension Investment Sub Committee and Pension Board, along with appropriate Administration officers were requested to complete a self-assessment questionnaire. The returns that have been completed so far show a differing range of knowledge as would be expected. These will be used to prepare training plans and include a mixed programme of external and internal training events designed to meet the requirements both of new members of the committee and ongoing needs of existing members.

36. The Committee agreed that any proposed training event being developed for Funds in the LGPS Central Pool be linked into the Fund's overall training programme. The Committee agreed that the attendance of other councillors at training events be reviewed. This helps with both the effective running of the Committee when substitutes attend, and shapes future options for Committee membership. The Committee has agreed the proposed training events plan for the next year up until April 2021.

37. An Investment Beliefs workshop was provided on the 22 May 2020 presented by Karen Shackleton from Pensions for Purpose. The aim was to further train and update members in this area as well as an introduction into as to how Pension Funds may build up an investment case to support targeting relevant Sustainable Development Goals (of which there are 17) in a Pension Fund portfolio. The Committee has noted the feedback from the Investment Beliefs workshop.

Pension Fund Unaudited Annual Report and Accounts 2019/20

38. The Annual Report will be provided for Committee approval in September 2020.

The Committee has approved the unaudited Pension Fund Accounts 2018/19. Final approval of the Accounts will be sought from the Audit and Governance Committee on 30 July 2020, if the audit is concluded by this time.

Internal Audit Plan and Pension Administration Internal Audit Report

39. The recent audit of Pensions Administration is an extremely positive report and of the 23 examined controls that were assessed 20 were found to be satisfactory and rated green, the remaining 3 were given an amber rating. The Committee has noted the Internal Audit Plan and the audit of Pensions Administration.

Forward Plan

31. The Committee has noted the Forward Plan.

Mr P Middlebrough
Chairman

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Background Papers

In the opinion of the proper officer (in this case the Assistant Director for Legal and Governance), the following are the background papers relating to the subject matter of this report:

Agenda papers for the meeting of the Pensions Committee held on 17 March and 26 June 2020.

<https://worcestershire.moderngov.co.uk/ieListMeetings.aspx?CId=391&Year=0>