

Agenda

Cabinet

Thursday, 24 September 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 You Tube 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 843579 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.

Cabinet

Thursday, 24 September 2020, 10.00 am, Online Only

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

Agenda

Item No	Subject	Page No
1	Apologies and Declarations of Interest	
2	Public Participation 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, three working days before the meeting (in this case Monday 21 September 2020). Further details are available on the Council's website. Enquiries can also be made through the telephone number/e-mail address listed below.	
3	Confirmation of the Minutes of the previous meeting The Minutes of the meeting of 25 June 2020 have been previously circulated	
4	Use of Children's Centre Buildings - Bewdley	19 - 22
5	A New Approach to Delivering Integrated Services for Adult Mental Health	23 - 28
6	Minerals and Waste Local Development Scheme	29 - 36
7	Revenue and Capital Budget Monitoring	37 - 48

NOTES

• Webcasting

Members of the Cabinet are reminded that meetings of the Cabinet are Webcast on the Internet and will be stored electronically and accessible through the Council's Website. Members of the public are informed that if they attend this meeting their images and speech may be captured by the recording equipment used for the Webcast and may also be stored electronically and accessible through the Council's Website.

Agenda produced and published by Abraham Ezekiel, Assistant Director for Legal and Governance, County Hall, Spetchley Road, Worcester WR5 2NP

To obtain further information or a copy of this agenda contact Deborah Dale, Legal and Democratic Services on Worcester (01905) 846282 or email: ddale@worcestershire.gov.uk

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

Date of Issue: Wednesday, 16 September 2020

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CABINET

24 SEPTEMBER 2020

USE OF CHILDREN'S CENTRE BUILDINGS – TRANSFER OF THE CENTRE AT BEWDLEY PRIMARY SCHOOL

Relevant Cabinet Member

Mr A Roberts

Mr M Hart

Relevant Officer

Director of Children's Services

Local Member

Mr I Hardiman

Recommendation

- 1. The Cabinet Member with Responsibility for Children and Families recommends that Cabinet:**
 - (a) approves the proposals for the future use of the Children's Centre building Riverside Children Centre at Bewdley Primary School as outlined in the report;**
 - (b) authorises the Director of Children's Services in consultation with the Director of Commercial and Change to take all necessary steps within their respective responsibilities to give effect to the above; and**
 - (c) authorises the Director of Children's Services and the Director of Public Health, in consultation with the Cabinet Members for Education and Skills and Children and Families, to take all decisions in relation to the change of use of Children's Centre buildings so long as they will continue to provide services under the definition of a Sure Start Children's Centre, and the Director of Commercial and Change be authorised to agree appropriate terms for the future use of Children's Centre buildings.**

Background

- 2. In June 2016 WCC Cabinet agreed a range of recommendations relating to the provision of effective prevention services for children and young people including optimising the use of children's centre buildings for delivery in localities.**
- 3. This included the proposal that the Children's Centre building known as Riverside Children's Centre located at Bewdley Primary School be leased to the Governing**

Body of Bewdley Primary School for the delivery of Early Year's Education for 2-year-olds and other local support services. The location the Children's Centre in relation to Bewdley Primary School is attached as appendix 1.

4. This decision was implemented and a lease for Riverside Children's Centre was granted to The Governing Body of Bewdley Primary School in 2018.
5. The building comprises various rooms including 3 Multi-Purpose Rooms, Office space, Consulting room, Kitchen and Toilet facilities as outlined in appendix 2. The facility has primarily been used to offer early years education places for 2-year-olds, as well as the delivery of a number of other community services including monthly NHS speech and language support, wrap around care, and multi-agency use to support welfare and safeguarding of young children..
6. During November and December 2019 the school carried out a consultation with parents and carers of the children of the school and nursery outlining their plans to integrate this facility into their maintained provision, extending the age range of the school from 3-11 to 2-11 (appendix 3).
7. The school has proposed that they would continue to operate 2-year old provision from this building, with no alteration to staff, children, or number of places offered, but that the nursery, and the site, be absorbed into the maintained estate.
8. The integration of this facility into the maintained age range of the school would enable a consistent education programme from 2-11 and improve communication and administration across the school community, along with securing ongoing availability of early education and care provision for 2-year-olds in this area.
9. A total of 54 responses were received by the school, with 49 of the responses supporting the proposal for the school to take over this provision. 3 respondents had no opinion and 2 were undecided. There were no objections received to this proposal.
10. During the school consultation, many parents commented on the positive opportunities for improved communication, ability to book and pay for lunches using the ParentPay system for younger children, and the smooth transitions between different parts of the school facilitated by existing systems.
11. The Local Authority is the sole decision-making body for a school of this type and therefore the proposal was submitted to Worcestershire County Council for consideration in December 2019. The proposal to extend the age range of the school has been supported by the Cabinet Member with Responsibility for Education and Skills and the Director of Children's Services and public notice was issued on 23 April 2020 of the intention of the Local Authority to approve this change. No objections were received and therefore the proposal was approved for implementation subject to the correct land transfer of the Children's Centre taking place (appendix 4).
12. The accommodation for maintained provision must be held and maintained by the Local Education Authority, and therefore to integrate the provision into the maintained school site the Children's Centre building must be transferred to become part of the school estate. This would effectively end the current lease

held between WCC and the Governing Body of the School which was approved by Cabinet in 2016.

13. Ordinarily, a school would not be required to provide community and health services within maintained provision, however in agreeing this change the school have confirmed that they will continue to use the building to provide early years provision, as well as allowing the use of the building for existing community services to continue as this is in the interests of the development and welfare of young children and families in the community. Therefore, this proposal continues to meet the statutory definition of a Sure Start Children's Centre, meeting the requirements of the Sure Start, Early Years, and Childcare Grant (SSEYCG) which was invested in the site.
14. This change is considered to be in the best interests of children and young people in this area and secures the provision of these services. It is therefore proposed that the Children's Centre building known as Riverside Children's Centre in Bewdley be incorporated by the Council into the Bewdley Primary School maintained estate for the continued provision of early childhood services.
15. Currently, there is no delegated authority to allow changes to the designated use of Children's Centre buildings. It is proposed that delegated authority be given to the Director of Children's Services and the Director of Public Health, in consultation with the relevant Cabinet Members and the Director of Commercial and Change where appropriate to approve the change of use of Children's Centre buildings where there is no significant change to the services being provided and where Children's Centre buildings continue to deliver services under the definition of a Sure Start Children's Centre.

Legal, Financial and HR Implications

16. There are no direct negative implications relating to the Council's statutory responsibilities in relation to the sufficiency of children's centre delivery arising from this report. The proposals for the centre will have a positive impact for families in the area through the security of early childcare provision along with a range of activities and services.
17. The Council has a statutory duty to ensure that there are sufficient early years and childcare places to meet the needs of families in the county. The change proposed secures this duty by integrating early year education places into maintained provision. The core purpose of children's centres set out in statutory guidance is to improve outcomes for young children and their families and reduce inequalities between families in greatest need and their peers in:
 - child development and school readiness;
 - parenting aspirations and parenting skills; and
 - child and family health and life chances.
18. The new use of the facility complies with the Central Government Sure Start grant provisions.
19. There are no direct financial or HR implications for the Council arising from this report. Lease arrangements currently in place with the Governing Body specify that rent is only payable should the activities at the centre produce a surplus once

running costs are taken into account. Monitoring of any financial or HR impacts will take place on a regular basis.

20. The transfer of the Children's Centre accommodation into the school estate will result in the transfer of planned maintenance responsibilities and costs from WCC Corporate Property to WCF Education. This means the Children's Centre building will become eligible for Condition funding, subject to terms and conditions, which is allocated to Local Authorities by the Department for Education to maintain the condition of the school estate. It should also be noted that the Worcestershire County Council Fair Funding Scheme for Financing Schools 2016 would also apply and any existing corporate property arrangements under the current lease would cease.

Joint Equality, Public Health, Data Protection and Sustainability Impact Assessments

21. The JIA screening and Equality and Public Health Full Impact Assessment did not identify any potential negative impacts during and following implementation. These have been attached as appendix 5 and 6.

Supporting Information

All available electronically

- Appendix 1 – Bewdley Primary School Site
- Appendix 2 – Riverside Children's Centre Floor Plan
- Appendix 3 – Consultation Document November 2019
- Appendix 4 – Decision report on Change of Age Range
- Appendix 5 – Joint Impact Assessment Screening
- Appendix 6 – Equalities and Public Health Full Impact Assessment

Contact Points

County Council Contact Points
County Council: 01905 763763

Specific Contact Points for this report
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Background Papers

In the opinion of the proper officer (in this case the Director for Children's Services) the following are the background papers relating to the subject matter of this report:

Cabinet Decision on Children's Centres 2016:
<https://worcestershire.moderngov.co.uk/ieListDocuments.aspx?CId=131&MId=1174&Ver=4>

CABINET
24 SEPTEMBER 2020**A NEW APPROACH TO DELIVERING INTEGRATED SERVICES FOR
ADULT MENTAL HEALTH**

Relevant Cabinet Member

Adrian Hardman

Relevant Chief Officer

Paula Furnival

Local Member(s)

N/A

Recommendation:

1. The Cabinet Member with Responsibility for Adult Social Care recommends that Cabinet:
 - (a) Agrees to terminate the Agreement for Section 75 Integrated Provider Adult Mental Health, Older Adult Mental Health and Learning Disabilities with Worcestershire Health and Care NHS Trust with effect from 31 March 2021;
 - (b) Notes that the Council will resume direct management of all adult social care mental health functions and services with effect from 1 April 2021; and
 - (c) Authorises the Strategic Director of People, in consultation with the Cabinet Member, by 1 April 2021 to:
 - enter into a Memorandum of Understanding with the Trust to ensure the delivery of personalised, place-based and integrated services to people with mental health difficulties, aligned to the Transforming Community Mental Health services pilot,
 - agree with the Trust the transfer of relevant staff to the Council in accordance with the TUPE Regulations,
 - agree with the Trust the arrangements for co-location of staff as appropriate,
 - establish an operational mental health social care function within the People Directorate within the existing budget

Background

1. On 1 April 2016 the Council entered into an overarching Framework Partnership Agreement relating to the Commissioning of Health and Social Care Services under section 75 of the National Health Service Act 2006 with NHS Redditch and Bromsgrove Clinical Commissioning Group, NHS South Worcestershire Clinical Commissioning Group and NHS and NHS Wyre Forrester Clinical Commissioning Group. There had been previous s75 agreements prior to this. The “Background” Section to this agreement at Recital E explains its purpose “was to set out the terms on which the Partners had agreed to collaborate and to establish a framework through which the Partners could secure the future position of health and social care services through lead or joint commissioning arrangements. It was also the means through which the Partners will pool funds and align budgets as agreed between the Partners. Under the s75 overarching Framework Agreement are several separate Provider Agreements which relate to various Services, Schemes and arrangements etc. concerning the delivery of both Health and Social Care statutory functions.

2. This Cabinet Report is only concerned with the termination of the Agreement for Section 75 Integrated Provider Adult Mental Health, Older Adult Mental Health and Learning Disabilities which was also entered into with Worcestershire Health and Care NHS Trust on 1 April 2016 and is referred to in the rest of this report as the “adult mental health agreement”. The Overarching Framework Agreement and the all other s75 Provider Agreements made under it are not affected by the proposed termination.

3. The purpose of the adult mental health agreement is to ensure the efficiency and effective delivery of integrated mental health services, by delegating the duties and powers of the Council to the Trust. At the time, this approach was the preferred strategic direction of national policy to deliver integration and placed the Council and local NHS at the forefront of developments in mental health.

4. In 2016, Learning Disability services were included in the adult mental health agreement. However, in 2018, the Council and the Trust agreed to return direct management of Learning Disability social care services to the Council, effective from 1 April 2019 to strengthen the social care management and leadership oversight.

5. With respect to mental health services, the Council and the Trust agreed:

- the Council would take back social care responsibility for organic mental health (dementia) from 1 April 2019, for the same reasons as Learning Disability services;
- review the effectiveness of the partnership agreement for the delivery of social care mental health responsibilities and functions

National Agenda for Adult Mental Health

6 The Community Mental Health Framework for Adults and Older Adults (NHS, September 2019) envisages holistic mental health care that is place-based, personalised and community-focused and with social care playing a central role. The Framework underpins the Transforming Community Mental Health Services agenda, which launched 12 national early implementer sites. The Trust has been successfully appointed as a pilot on behalf of Herefordshire and Worcestershire STP. The early implementer sites are designed to see how a place-based community mental health model can be realised, and how community services should modernise to offer whole-

person, whole-population health approaches, aligned with the new Primary Care Networks. The early implementer sites will trial the adoption of the Community Mental Health Framework and aim to enable people with mental health problems to:

- Access mental health care where and when they need it, and be able to move through the system easily, so that people who need intensive input receive it in the appropriate place, rather than face being discharged to no support
- Manage their condition or move towards individualised recovery on their own terms, surrounded by their families, carers and social networks, and supported in their local community
- Contribute to and be participants in the communities that sustain them, in a way which is comfortable to them

This approach is consistent with the Council's Strategy for People and Communities.

7. In light of the national agenda, the Council's Strategy for People and Communities and following discussions with Worcestershire Health and Care Trust, it is clear that the original intention of the s75 adult mental health agreement is no longer fit for purpose. The legal purpose of s75 arrangements are to allow the creation of a pooled budget. Without a pooled budget in place, there are better ways of working in partnership without the need for a s75. Many s75s were established at a time when the Care co-ordination role was considered "generic" – however, since the Care Act 2014 and the advent of more social outcomes measures – the need for Social Work as a specialist role has re-emerged within Mental Health. This has meant that Social Work staff have moved away from Care Co-ordination and become a more focussed team. In summary, the primary purpose of the working arrangement is to deliver a co-ordinated and coherent health and social care response to adults with mental health difficulties, with social care playing a key role in this. Therefore, the need for continued Social Work specialist development and professional leadership best sits with Worcestershire County Council as the responsible lead.

Proposals

8. Therefore it is recommended that: -

- The Council formally ends the section 75 agreement with the Trust on 31 March 2021
- the service and staff are managed directly by the Council, with staff where applicable transferred under TUPE regulations, from 1 April 2021
- the budget for the service remains as set for 2020/21 (plus any necessary inflation uplifts as required)
- a senior manager for adult mental health is appointed by the Council, funded from the existing budget
- investment is made in commissioning capacity from the existing budget to facilitate access to community resources and improve the range of opportunities in the market
- the service is redesigned following transfer. This redesign will need to include: workforce and roles; staff development and training; introducing strengths-based social work in a local place setting; clarifying standards and outcomes, including performance metrics; integrated delivery arrangements

- the Council and Trust enter into a Memorandum of Understanding to ensure effective integrated delivery and to reflect the objectives of the Transformation of Community Mental Health, adhering to the principles of:
 - Shared vision, objectives and outcomes
 - Mutual respect of value of roles and responsibilities
 - Effective senior leadership
 - Good effective governance
 - Good working relationships

These proposals have been agreed with the Trust at their Board meeting on the 10 September 2020.

9. Whilst there is an option to review and reset the s75 adult mental health agreement, the changes required are fundamental in terms of governance, leadership, management, practice and financial accountability. A reset of the arrangements would be time-consuming, resource-intensive and complex. The practicalities of this are compounded by the Trust's need to restructure its mental health service having recently taken responsibility for Herefordshire adult mental health services and needing to deliver the Transforming Community Mental Health agenda.

Legal, Financial and HR Implications

10. The s75 Overarching Framework Agreement provides for the termination of each individual scheme in accordance with the terms of the relevant scheme specification provided that the Better Care Fund requirements continue to be met. The s75 adult mental health agreement provides that either parties may give a minimum of 6 months' notice to be given to terminate the adult mental health agreement and must terminate at the end of a financial year. If notice is given by 30 September 2020, the agreement can end on 31 March 2021.

11. By terminating the adult mental health agreement at the end of March 2021, any outstanding financial matters relating to the transfer can be resolved within year. The service budget for 2021/22 will be the same as for 2020/21, plus any inflationary uplifts agreed as part of 2021/22 budget setting. The net budget for 2020/21 is c£3.5m.

12. The majority of social care staff are employed by the Council. However, there are likely to be a few people who will be eligible for TUPE transfer and due process will be followed. The 6-month timescale will allow sufficient time to complete this process effectively. It is not expected at this stage that there will be any staff at risk of redundancy.

Risk Implications

13. The Trust has agreed to the termination of the adult mental health agreement and therefore there is minimal risk that the service will not be re-established in the Council from 1 April 2021 and eligible needs will continue to be met.

14. The existing agreement will run until 31 March 2021 so there is no risk that the service will not be provided during the notice period. The Trust and the Council have already established a discrete community social care function, which begins the strengthen the role of social care in mental health.

15. A programme board will be established, chaired by Hannah Needham, Assistant Director for Communities. This will oversee the process and ensure that the service to people with mental health difficulties is not disrupted during the transition.

16. The primary delivery risk relates to the integrated 'offer' from 1 April 2021. However, this will be mitigated by the Memorandum of Understanding and the governance arrangements that will be developed as part of the transfer.

Joint Equality, Public Health, Data Protection and Sustainability Impact Assessments

17. The Joint Impact Assessment screening has been carried out in respect of these recommendations. It identified that further impact analysis will be required in respect of the impact on transferring staff following staff consultation.

Public Sector Equality Duty

18. The Council must, during planning, decision-making and implementation, exercise proportionate level of due regard to its Public Sector Equality Duty and the need to:

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

19. Adults in receipt of mental health services fall within one or more of the protected groups covered by the PSED. The Joint Impact Assessment incorporates a detailed Equality Impact Assessment on the proposal and concluded that there would not be any adverse impact on those affected by the proposal to terminate the s75 adult mental health agreement as service delivery would not change.

20. The screening report is included as the appendix to this report.

Supporting Information

Appendix – Screening

Contact Points

County Council Contact Points

County Council: 01905 763763

Specific Contact Points for this report

Name. Hannah Needham. Assistant Director: Communities

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Background Papers

In the opinion of the proper officer (in this case the Strategic Director for People) the following are the background papers relating to the subject matter of this report:

- <https://www.england.nhs.uk/wp-content/uploads/2019/09/community-mental-health-framework-for-adults-and-older-adults.pdf>
- <https://www.england.nhs.uk/mental-health/adults/cmhs/>

CABINET
24 SEPTEMBER 2020**MINERALS AND WASTE LOCAL DEVELOPMENT SCHEME**

Relevant Cabinet Member

Cllr Ken Pollock

Relevant Officer

Strategic Director of Economy and Infrastructure

Local Member(s)

N/A

Recommendation

1. The Cabinet Member with Responsibility for Economy and Infrastructure recommends that Cabinet:

- (a) approves the Minerals and Waste Local Development Scheme (LDS) September 2020 – December 2023 to come into effect on 30 September 2020;**
- (b) authorises the Strategic Director of Economy and Infrastructure to make minor amendments to the LDS prior to publication.**
- (c) Delegates authority during the period 2020-2023 to the Strategic Director of Economy and Infrastructure, in consultation with the Cabinet Member with Responsibility for Economy and Infrastructure, to approve updates to the Mineral and Waste Local Development Scheme, subject to call-in;**
- (d) Agrees that an updated Mineral and Waste Local Development Scheme be returned to Cabinet for approval in 2023.**

Background

2. Worcestershire County Council is the Local Planning Authority for minerals and waste planning for the county of Worcestershire. Section 15 of the Planning and Compulsory Purchase Act 2004, as amended, sets out the requirement for Local Planning Authorities to prepare and maintain a scheme and schedule of planning policy documents that it intends to produce, known as a Local Development Scheme. The Minerals and Waste Local Development Scheme (LDS) has two main purposes:

- To inform the public about the preparation and adoption of planning documents; and
- To establish and reflect Council priorities and enable work programmes to be set for the preparation of the documents.

3. As circumstances change and the process of making development plans moves forward, it is necessary to review and revise the LDS in order to keep it up to date. The LDS at Appendix 1 is proposed to replace the previous document which came into effect in July 2018.

4. Whilst the Planning and Compulsory Purchase Act allows the Council discretion to revise the LDS “at such time as they consider appropriate” (S15 (8)), recent Government guidance¹ suggests that the LDS is expected to be reviewed and updated at least annually. In order to balance appropriate use of Cabinet time and maintaining appropriate political oversight and awareness of mineral and waste policy development, this report recommends the delegation of more frequent LDS updates to the Strategic Director of Economy and Infrastructure, in consultation with the Cabinet Member with Responsibility for Economy and Infrastructure, with a commitment to return an updated LDS to cabinet for approval in 2023.

5. This revised LDS extends the timetable for the examination and adoption of the Minerals Local Plan, and the timetable for the production of the Mineral Site Allocations Development Plan Document due to delays caused by the Covid-19 pandemic. It also outlines the consequent changes to the timetable for commencing the review and revision of the adopted Waste Core Strategy for Worcestershire. The main proposed changes to the LDS are set out below:

Worcestershire Minerals Local Plan

6. Minerals development in Worcestershire is currently guided by national policy and by those policies within the 1997 'County of Hereford and Worcester Minerals Local Plan' that have not yet expired. Once adopted, the emerging Minerals Local Plan for Worcestershire will replace the 1997 Plan.

7. The emerging plan was submitted to the Secretary of State for Examination in Public in December 2019, and public hearing sessions were scheduled to take place in May and June 2020, in line with the 2018 LDS. The Covid-19 pandemic and resulting restrictions meant that the hearing sessions had to be postponed by the Planning Inspectorate. Officers have been working with the Planning Inspectorate to explore how the examination can move forward to the hearing stage whilst ensuring fair opportunities for participation and observation of the proceedings. It is likely that the hearings will take place either by virtual technology or in a blended “physical and virtual” format in November 2020.

8. Following the public hearing sessions, and prior to the appointed Inspectors being able to write their report on the soundness of the Plan, the Planning and Compulsory Purchase Act 2004 (as amended) and Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended) require any modifications to be subject to further Sustainability Appraisal, and a period of consultation on the proposed modifications to be undertaken.

9. The delays to the examination of the Minerals Local Plan are beyond the Council’s control but mean that the Inspector’s Report will not be received in Q3 or

¹ Ministry of Housing, Communities and Local Government, Planning Practice Guidance: “Plan-making” Paragraph: 035 Reference ID: 61-035-20190723, Revision date: 23 07 2019

Q4 of 2020, as anticipated in the 2018 LDS. Receiving the Inspectors' Report marks the end of the formal period of Examination in Public. This means that the Plan cannot be returned to full Council for adoption in Q4 2020 or Q1 2021, as anticipated in the 2018 LDS.

10. At present, the ongoing and potential for future restrictions could mean that consultation on the modifications may need to be delayed, or that a longer period of consultation required than would usually be the case, in order to ensure all legislative requirements are met and to ensure fair opportunity for public participation. To take account of this, and to avoid any potential conflict with the forthcoming election period, significant flexibility is included within the revised LDS, which now anticipates:

- Independent examination (including consultation on modifications) to continue until receipt of the Inspectors' Report in Q3 or Q4 2021
- Adoption of the Minerals Local Plan in Q4 2021 or Q1 2022

11. Once adopted by Council, the Minerals Local Plan will be subject to the requirement for regular review every 5 years from adoption. This requirement means an assessment must be carried out of whether the plan remains relevant and effectively addresses the needs of the local community, or whether policies need updating. This will result in either publishing the reasons that policies or allocations do not need updating, or in updating the Local Development Scheme to set out the timetable for revising the plan. This review will be undertaken as part of the annual Authority Monitoring Report (AMR).

Mineral Site Allocations Development Plan Document

12. Since the July 2018 LDS came into effect, the following progress has been made in the development of the Mineral Site Allocations Development Plan Document (DPD):

- Consultation on proposed mineral site selection methodology (December 2018-February 2019)
- Call for sites (January-March 2020)
- Commissioning consultants to undertake Strategic Flood Risk Assessment, Sustainability Appraisal, and Habitat Regulations Assessment.
- Progress in site visits and drafting policy options.

13. The Covid-19 pandemic has resulted in some delays to the programme because of the resulting restrictions on officers' ability to visit sites, and furloughed staff at consultancies and mineral companies. In addition, the majority of officers' time in the Mineral and Waste Planning Policy team will still be engaged in the examination of the Minerals Local Plan over the coming months.

14. As the Mineral Site Allocations DPD will provide local policies which will be read alongside the strategic policies set by the Minerals Local Plan, and to minimise the potential for any confusion between the process for the two documents, consultation on the "preferred options" version of the Mineral Site Allocations DPD will take place once the Minerals Local Plan main modifications consultation has been concluded and the Inspectors' Report received.

15. The revised LDS therefore takes into account the new timescales for the Minerals Local Plan and builds from this the anticipated timescales for the development and examination of the Mineral Site Allocations DPD:

- Preparation of Preferred Options consultation documents up to Q4 2021
- Statutory assessments of Preferred Options documents Q3-Q4 2021
- Preferred Options public consultation Q1-Q2 2022
- Consideration of representations Q3-Q4 2022
- Preparation of Publication documents Q4 2022 – Q1 2023
- Statutory assessments of Publication documents Q1-Q2 2023
- Publication / pre-submission consultation Q2-Q3 2023
- Preparation for submission Q3-Q4 2023
- Submission Q4 2023 or beyond the period of this LDS
- Independent examination – commencing on submission and continuing beyond the period of this LDS
- Receipt of Inspector's Report beyond the period of this LDS
- Adoption beyond the period of this LDS

16. As there are significant uncertainties inherent in this timetable, it is very likely that the LDS will need to be revised during the course of the development of the Mineral Site Allocations DPD.

17. Once adopted by Council, the Mineral Site Allocations Development Plan Document will be subject to the requirement for regular review every 5 years from adoption. This requirement means an assessment must be carried out of whether the plan remains relevant and effectively addresses the needs of the local community, or whether policies need updating. This will result in either publishing the reasons that policies or allocations do not need updating, or in updating the Local Development Scheme to set out the timetable for revising the plan. This review will be undertaken as part of the annual Authority Monitoring Report (AMR).

Waste Core Strategy for Worcestershire

18. The 2018 LDS timetable also included the start of the review and revision of the Waste Core Strategy. The Waste Core Strategy was adopted in 2012 and its implementation has since been monitored through the annual Authority Monitoring Report. Although the plan is for the period 2012-2027, the July 2018 LDS anticipated the requirement to review the plan regularly to ensure that it remains relevant and responds to changes in local context and national policy.

19. The latest Authority Monitoring Report (published July 2020) includes a statement on the review of the Waste Core Strategy. This concludes that although the majority of the objectives of the Waste Core Strategy are being delivered, there are some areas which need to be addressed through policy revisions. More detailed review of the evidence will guide whether only parts of the plan need to be revised, or whether full revision is required.

20. The submission and examination of the Minerals Local Plan and the preparation of the Mineral Site Allocations Development Plan Document were given priority in the July 2018 LDS, and this is maintained in the revised LDS with consequent changes to the timetable for commencing this work due to the delays to the Minerals Local

Plan caused by the Covid-19 pandemic. This is as soon as practicable given the need to progress the Minerals Development Plan Documents within existing staffing resources, and is considered to be an appropriate means of securing compliance with review requirements.

- Detailed review, establishing scope and purpose of revision of Waste Core Strategy Q3 2021 – Q3 2022
- Preparatory work and development of Issues and Options consultation documents Q3 2022 – Q4 2023
- Issues and Options public consultation and all other stages, beyond the period of this LDS

21. The implementation of the Waste Core Strategy will continue to be monitored through the annual Authority Monitoring Report and the LDS will be revised if the need for a more urgent review and revision of the Waste Core Strategy is identified (for example if changes of circumstance or national policy cause the WCS policies to become out of date, reducing their weight as planning considerations), or if additional resources are available to bring these timescales this forward.

Legal, Financial and HR Implications

22. There are financial implications associated with preparing the documents set out within the LDS. Plan development work is a core funded activity supported by specific reserve to fund specialist development plan work and to cover the cost of examination in public. The scale of each examination will reflect the scale of responses to the formal consultations.

23. Internal staff resources in the Mineral and Waste Planning Policy Team, supported by the Strategic Planning and Environmental Policy team, are dedicated to producing the Minerals Local Plan, Mineral Site Allocations Development Plan Document and revising the Waste Core Strategy, including producing the necessary evidence documents and supervising the consultants producing the various appraisals and assessments required.

24. External consultants are being used where there is demonstrable value for money and to maximise efficiency in supporting internal staff resources. Additional costs will be incurred through consultation and examination which will include the procurement of external expertise. This has been costed and a budget agreed with Finance for the Minerals Local Plan and the Mineral Site Allocations DPD. The budget for the Waste Core Strategy review and revision is being developed.

Risk Implications

25. The Planning and Compulsory Purchase Act 2004 (as amended) requires Development Plan Documents to be prepared “in accordance with the local development scheme”. If a planning authority has not prepared a Local Development Scheme, if the scheme is not kept up to date, or if the Council is not preparing documents in accordance with the Local Development Scheme, the Secretary of State has the power to prepare one for the Authority and to direct the Authority to bring that scheme in to effect. The Secretary of State also has the power to direct the authority to make such amendments to the scheme as he thinks appropriate for the purpose of ensuring effective coverage of the authority’s area by the development

plan documents (taken as a whole) for that area. It is therefore necessary to ensure that the Local Development Scheme is kept up to date.

26. The ongoing uncertainties relating to Covid-19 restrictions and their implications for planning policy development and examination are outlined above. The revised LDS takes these uncertainties in to account as fully as possible, allowing greater flexibility at each stage of the timetable for the Minerals Local Plan. This report also recommends delegating any further updates to the LDS to the Strategic Director of Economy and Infrastructure, in consultation with the Cabinet Member with Responsibility for Economy and Infrastructure, over the period 2020-2023. This will enable the Council to respond more quickly to any changing circumstances.

Joint Equality, Public Health, Data Protection and Sustainability Impact Assessments

27. A joint impact assessment (JIA) screening has been completed for the Local Development Scheme.

28. The JIA screening did not identify any potential considerations requiring further assessment during implementation, as the Local Development Scheme sets the timetable for various mineral and waste development plan documents (planning policies) which the Council will develop and/or revise over the next three years, and the Local Development Scheme itself cannot impact these issues. However, each Development Plan Document will be subject to equality, health, and environmental/sustainability assessments as they are developed.

29. The screening report is included as an appendix to the cabinet report.

Supporting Information

Available electronically

- Appendix 1 Minerals and Waste Local Development Scheme (September 2020 – December 2023)
- Appendix 2 Project screening report (Impact Assessment Id: #96)

Contact Points

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Background Papers

In the opinion of the proper officer (in this case the Strategic Director of Economy and Infrastructure) the following are the background papers relating to the subject matter of this report:

Minerals and Waste Local Development Scheme adopted July 2018

http://www.worcestershire.gov.uk/download/downloads/id/10191/minerals_and_waste_local_development_scheme_july_2018.pdf

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CABINET
24 SEPTEMBER 2020**RESOURCES REPORT – REVENUE AND CAPITAL BUDGET
MONITORING - MONTH 4 (31 JULY) 2020/21**

Relevant Cabinet Member

Mr S E Geraghty

Relevant Officer

Chief Financial Officer

Recommendations

1. **The Cabinet Member with Responsibility for Finance (who is also the Leader of the Council) recommends that Cabinet:**
 - (a) **endorses his conclusions concerning revenue budget monitoring up to 31 July 2020;**
 - (b) **notes the financial impact and forecast for COVID-19 expenditure;**
 - (c) **notes the current progress regarding savings plans approved by Council in February 2020;**
 - (d) **endorses his conclusions concerning capital budget monitoring up to 31 July 2020;**
 - (e) **recommends that Council approves the updated Capital Programme at Appendix 7; and**
 - (f) **notes the report on borrowing and lending transactions during 2019/20 detailed in paragraphs 59 to 60 and Appendix 8.**

Introduction

2. This report details the 2020/21 outturn forecast for the Council's £345 million net revenue budget as at Month 4 (31 July 2020), the estimated financial impact of COVID-19 and progress to date on the savings and reforms programme.
3. The Council is forecasting a £1.6 million cost pressure after management actions to reduce expenditure in year.
4. In addition to this, the Council is managing around £52 million of additional one-off funding to support our response to COVID-19 working alongside partners and suppliers to ensure vital support services are enabled across the County area. At this stage for 2020/21, assuming there is no second wave, costs are broadly in line with the additional funding allocated by Central Government. Looking forward, there are risks to council tax and business rates income as well as the uncertainty around the impact of changes in the economy and spending priorities.
5. This report also notes the latest position with regard to the Dedicated Schools Grant (DSG) High Needs Block.

6. For funding relating to the next financial year and beyond we will likely have to wait until Winter for announcements from Central Government. In the meantime, the Council will be lobbying Government and refreshing its Medium-Term Financial Plan over the forthcoming months in preparation for consulting on next year's budget proposals.

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

Summary Revenue Budget Monitoring 2020/21 Forecast at Month 4 (31 July 2020)

8. The County Council's net budget of £345 million was set by Full Council in February 2020.

9. This report covers the forecast financial position for 2020/21 to the end of Month 4 (31 July 2020).

10. The overall outturn forecast, as set out in Table 1, at Month 4 is for a net overspend of £1.6 million.

Table 1: 2020/21 Month 4 Forecast

Service area	Budget	Variance excl. COVID- 19 Impact	COVID-19 Full Year Forecast	Variance incl. COVID-19 Impact
	£m	£m	£m	£m
People – Adults	130.676	0.631	20.204	20.835
People – Communities	19.23	0.099	2.245	2.344
People – Public Health	1.854	-0.025	0.123	0.098
Children's Services/WCF	101.449	0.000	4.618	4.618
Economy & Infrastructure	55.933	-0.091	2.343	2.252
Commercial & Change	6.925	-0.541	1.617	1.076
Chief Executive	0.97	-0.438	1.056	0.618
Total: Service excl DSG	317.037	-0.365	32.206	31.841
Finance/Corporate Items	29.794	0.000	-58.152	-58.152
Non-assigned items	-1.692	0.986	0.000	0.986
Council / County wide	0.000	0.000	26.938	26.938
TOTAL	345.139	0.621	0.992	1.613

11. The above table reports the outturn forecast both including and excluding the impact of COVID-19 for the purposes of transparency. It can be seen that around £20 million additional expenditure is being incurred on Adults Services, with a further £27 million spend on whole Council / Countywide services such as hubs, PPE, and allowing for lower income collection levels.

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

Key Assumptions

13. There are a number of key assumptions made in the forecast this year. The most significant are:-

- No second wave of COVID-19 assumed and the financial impact of all GOLD and SILVER command decisions are reflected in the forecast
- Qualifying expenditure that supports hospital discharges will be fully reimbursed via CCG's from Department of Health

- Council Tax and Business Rates collection fund deficits will be accounted for over the next three years from 2021/22 – therefore no impact this year.

14. The following table analyses the type of forecast additional costs of COVID-19.

Table 2: 2020/21 COVID-19 Forecast Expenditure

Expenditure	Total / year £m
Risk on Council Tax, Business Rates and other bad debts	7.559
Block beds in Residential Care Homes and Nursing Care Homes	6.976
Support Worcester's Adult Social Care Providers	5.650
Service Efficiency Programme Deferments	6.067
Continued payments to providers of domiciliary care, supported living, extra care and day services, for the duration of the Covid-19 outbreak	5.180
Additional costs for hospital discharges	4.140
Agreed Purchase of PPE	2.860
Home to School Transport - additional costs	2.800
Test & Trace Expenditure	2.750
Other Adult Social Care <£1m	2.521
Waste Management Costs	1.730
Community Hubs / Supporting our communities	1.590
Staff Costs unable to be capitalised	1.480
Additional LD, PH, MH clients	1.383
Other (incl homeless, food grant, nurseries)	7.152
Total Expenditure & Lost Income	59.838
Mitigated by:	
Prudent management of Council budgets	-6.125
Funding:	
COVID Grant	-29.080
Funding assumed from CCG	-11.080
Ring-fenced Infection Control Funding	-7.450
Ring-fenced Test & Trace Funding	-2.750
SFC Partial Guarantee	-1.140
Community Hardship Grant (DEFRA)	-0.600
Total Funding	-52.100
Net Covid-19 Impact	1.613

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

People Services Total Budget £151.8m, £0.7m overspend

16. The People Directorate, comprising Adult Social Care, Communities and Public Health, is forecasting to overspend its £151.8 million budget by £0.7 million (0.5%). The overspend is largely attributable to increases in residential and domiciliary placements across adult social care services, offset by the release of Liberty Protection Safeguards growth. Within this the following variations are worthy of noting:

People Services (Adult Social Care) Budget £130.7m, £0.6m overspend

17. This £0.6 million overspend comprises the following significant variances from budget are as follows:

- £2.1 million overspend in respect of Learning Disability services due to increases in supported living package costs.
- £0.6 million overspend in Mental Health services due to an increase in residential placements.
- £1.2 million underspend in Older People services which includes £1.6m Liberty Protection Safeguards growth not required in 2020/21, offset by increased placement costs.
- £1.2 million underspend in Physical Disability services as a result of lower than budgeted activity numbers.

People Services (Communities) Budget £19.2m, £0.1m overspend

18. The £0.1 million overspend comprises small variances as a result of additional overtime and agency costs which reflect increased demand and reduced income in the Side by Side Service:

- £0.3 million underspend as a result of vacancies in the Side by Side Service.
- £0.4 million overspend in respect of external domiciliary care.
- £0.1 million reduction in budgeted income in the Side by Side Service.

People Services (Public Health) £30.1m Expenditure Budget, funded by £30.1m Public Health Grant income. Net Budget £1.9m, £0.03m underspend

19. The £30.077 million grant income in 2020/21 represents an increase of £1.7 million compared with 2019/20.

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

Education / WCF (excl. DSG) - Budget £101.4m, £1.4m overspend

21. The WCF forecast is presented alongside services that remain within WCC. In total these services are forecasting an overspend of £1.415 million at Month 4.

22. Overall, the Children's Services budget is forecasting a break-even position for 2020/21.

23. Estimates to account for additional costs and lost income in the Transport services budget have been calculated, based on a range of scenarios, with a range of £3.3 million to £6.2 million in 2020/21. The current forecast assumes that increased pressures on Home to School Transport expenditure will be met by the COVID-19 grant received by Government. Draft guidance issued in August 2020 indicates that social distancing measures currently in place for public transport will not apply to dedicated home to school transport in the Autumn term.

24. On 11 August 2020, the Government announced a s31 grant for additional funding for the Autumn term, of which the Council's share is £503k of the £40 million national allocation. We continue to work with transport colleagues and will re-model the financial implications.

25. The current DSG position is a forecast overspend of £0.6 million against a total budget of £220 million. The overspend is exclusively within the High Needs block of the DSG and this will increase the overall DSG deficit brought forward from 2019/20 of £6.2 million to £6.8 million at the end of the year.

26. It should be noted that High Needs funding was increased by £8.7 million in 2020/21, bringing budget broadly in line with expenditure, although future allocations and spend management measures will need to make good the deficit balance.

27. The Council is working with Schools to optimise pressures within funding, whilst taking every opportunity to lobby Central Government about overall funding allocations. Worcestershire is not alone with regard to these pressures.

Worcestershire Children First (WCF) £1.4m deficit

28. Worcestershire Children First (WCF) is forecasting a deficit of £1.415 million. This deficit is within WCF and narrative is included alongside Council variances for information purposes. The Council's contract with WCF which is included in the Commercial and Commissioning Directorate is forecast to balance as this relates to the agreed contract this financial year, and variance on WCF will be a consideration for future Council budget allocations.

29. The most significant variances from budget are as follows:-

- £1.2 million underspend as a result of staffing underspends and vacant posts in the Social Care directorate.
- £2.7 million overspend in Social Care Placements and Provisions due to an increase in External Placements for Looked After Children which has been forecast to continue to March 2021. (There may be call to fund exceptional awards of court from reserves as highlighted in the Risk Assessment presented to Council in setting the budget).

Economy & Infrastructure (E&I) – Budget £55.9m, £0.1m underspend

30. The Economy and Infrastructure Directorate is forecasting to underspend its £55.9 million budget by £0.091 million (0.2%).

31. The most significant variance from budget is a £0.256 million underspend in the Transport Operations budget which comprises lost bus fare income and additional expenditure to enable social distancing measures offset by DfT and COVID-19 grant income.

32. There are no other significant variances from budget to report at this time.

Commercial and Commissioning – Budget £6.9m, £0.5m underspend

33. The Commercial and Commissioning Directorate is forecasting to underspend its £6.9 million budget by £0.541 million (8%).

34. The most significant variances from budget is a £0.4m variance as a result of reduced contract expenditure and underspend on additional works for administrative buildings in the Property Services budget.

35. There are no other significant variances from budget to report at this time.

Chief Executive/HR – Budget £0.9m, £0.4m underspend

36. The Chief Executive/HR function is forecasting to underspend its £0.97 million budget by £0.439 million (45%).

37. The most significant variance from budget is a £0.4 million variance as a result of underspends in the Talent Management Programme and staffing vacancies.

38. There are no other significant variances from budget to report at this time.

Finance / Corporate / Non-assigned Budget £28.1 million, £5.4 million underspend

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

40. The £28.1 million budget for Finance / Corporate Items is forecast to underspend in total by £5.4 million. Without COVID-19, this would have been available to support other priorities through adding to the Financial Risk Reserve.

41. The significant variances are:

- £2.1 million underspend in 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.
- £4.1million underspend of MRP budget following implementation of Council's existing MRP policy.
- £0.3 million overspend in Pension Fund Back Funding Liabilities due to the timing of the prepayment for the years 2020/21 to 2022/23.
- £0.4 million Whole Organisation Contingency underspend. There are currently no spending commitments against this balance and thus can be released as an underspend to offset overall cost pressures.
- £0.9 million Non-Assigned savings targets overspend as a result of organisational re-designs savings targets rated as red risk at Month 4.

Savings programme Update

42. The target for 2020/21 is £13.7 million. £9.6m for 2020/21 and £4.1m brought forward from previous years:-

Table 3: Savings Forecast as at Month 4 2020/21

	Target £m	Forecast £m	Variance £m
Savings Programme (February 2020 Council)	9.6	5.8	3.8
Brought forward from 19/20	4.1	4.1*	0.0
Total	13.7 100%	9.9 72%	3.8 28%

* Includes £3.8m Waste PFI Contract savings target for which an equivalent sum is being withdrawn from the Waste PFI earmarked reserve to cover. The actual achievement of this project saving is at risk and currently being reviewed.

43. The variance of £3.8 million is RED rated savings that currently are not forecast to be achieved this year.

44. Of the £9.9 million forecast to be achieved as above, £4.7 million is rated as Amber meaning there is some risk they will not be achieved this year. The achievement of financial savings continues to be a major focus for the Council's management teams.

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

Corporate Income £346 million – Council Tax and Business Rates

46. The final impact of COVID-19 on council tax and business rates income is likely to take time to arise and could last for a number of years, with mitigation from Central Government's furlough scheme and business rates support grants taking time to unwind. Forecasting the number of people claiming Council Tax Support, administered by District Councils, is critical for future sustainability of this income stream. It is difficult to quantify the impact on the County Council until clear evidence is available, nevertheless it is prudent to consider that, at least in the short term, there is a risk to the level of funding that the Council will receive.

47. The Council's share of any deficit on District Council's 2020/21 collection funds will be passed on to the Council over the next three years (2021/22 to 2022/23). This will ease the impact on the Medium Term Financial Plan but will have cashflow considerations and ultimately will be lost income if the amounts outstanding cannot be recovered.

Medium Term Financial Planning

48. Whilst the County Council's Medium Term Financial Plan (MTFP) was approved by Full Council in February 2020, this was before the COVID-19 pandemic and there will be a need to consider the current financial pressures and the extent to which they affect future years when the MTFP is revised as part of the normal budget planning cycle.

49. The Council continues to manage the local impact of COVID-19 whilst maintaining service delivery although it may be some time before the full financial impact is known. The knock-on effects on the number of claimants of Council Tax Support (managed by our

District Councils) and potential reductions in business rates income will put stress on the level of funding the Council has.

50. Setting aside COVID-19, the Council will continue to face more demand for some services through an increasing and ageing population, this, together with increases in cost pressures that arise through our partners and key suppliers means the Council should keep looking for opportunities to deliver even better value for money.

51. There are a number of areas which are subject to considerable change over the next few months and the Council will look to update its MTFP in preparation for the 2021/22 Budget Cycle. The main areas include the level of income expected to be collected and the impact on future demand and inflation. As well, the Government has announced that it has again deferred its review of the funding allocations (Fair Funding) to local councils.

52. The Government is presently planning on completing and issuing a three-year Comprehensive Spending Review (CSR) this Autumn with details of the impact on our funding expected in late Autumn. As such forecasting the impact on our MTFP is extremely difficult at this time. Given this uncertainty and the need to ensure the Council maintains robust and a risk assessed level of reserves, it is highly likely that the Council's funding gap will rise and a further report will be brought back to Cabinet following the Chancellor's announcements.

Summary Capital Budget Monitoring 2020/21 Forecast at Month 4 (31 July 2020)

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

54. The revised profile has taken account of the roll forward of capital schemes from last financial year and the impact that has on the current year's profile of expenditure and estimate for future years, along with re-profiling across financial years based on current best information available. This profile will continue to be reviewed and progress to achieve this year's programme of works is made.

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

56. The overall revised Capital Budget for 2020/21 totals £194 million.

Table 4: Capital Programme

TOTAL EXPENDITURE	YEAR-END	REVISED	REVISED	REVISED	REVISED
	OUTTURN	FORECAST	FORECAST	FORECAST	TOTAL
	2019/20	2020/21	2021/22	2022/23	(Incl. Outturn
				and Beyond	19/20)
	£000	£000	£000	£000	£000
CHILDREN AND FAMILIES	9,834	26,466			36,300
OPEN FOR BUSINESS	45,452	77,995	20,136	800	144,383
THE ENVIRONMENT	38,636	73,280	17,201	2,143	131,260
HEALTH & WELL-BEING	4,070	3,412			7,482
EFFICIENCY & TRANSFORMATION	6,568	12,553	5,620	5,056	29,797
TOTAL	104,560	193,706	42,957	7,999	349,222

57. The Council is awaiting details of future grant allocations from Government for future years. These will be added to the Capital Programme when known.

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

Borrowing and Lending Transactions 2019/20

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

60. The key highlights of this report are:-

- The Council's treasury activities were managed successfully within the approved Prudential Indicator limits.
- The Base Rate at the start of the year was 0.75% which was cut to 0.10% in March 2020.
- Investments prudently made to the UK Debt Management Office, other local authorities, Money Market Funds and Ultra-Short duration Bond Funds are in line with the existing County Council Treasury Management Policy.
- £21 million of existing loans have been repaid during the year.
- New loans of £35 million have been taken out during 2019/20 at an average rate of 1.9%. This was a planned activity raised to support the Capital Programme and manage interest rate risk.

- Total long-term debt outstanding is within plan and stood at £474.0 million at 31 March 2020 at an average rate of 3.33% (3.48% for 2018/19).

Legal Implications

61. 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

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

63. 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.

64. 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.

65. 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

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

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

Equality Duty Considerations

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

Risk Implications

69. The Cabinet report includes recommendations regarding the Council's forecast financial position for 2020/21 and the carry forward of earmarked reserves and unspent grants.

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

Privacy and Public Health Impact Assessment

71. 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.
72. This report is mainly about confirming the forecast financial position at this stage of the year reflecting existing Cabinet decisions and policies, and where appropriate utilising specific grant monies with spending restrictions associate with these grants.
73. 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.
74. 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** – Budget Monitoring Outturn Forecast for Month 4 - 31 July 2020
- **Appendix 2** - Budget variances greater than £0.250 million
- **Appendix 3** - Capitalisation
- **Appendix 4** – Proposed withdrawal from Grants/Reserves
- **Appendix 5** – Proposed Carry Forwards – Grants / Earmarked Reserves
- **Appendix 6** – List of Savings / RAG Analysis
- **Appendix 7** – Capital Programme
- **Appendix 8** - Borrowing and Lending Transactions 2019/20

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Background Papers

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

Previous Cabinet Resources Reports

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