

Agenda

Cabinet

Thursday, 19 November 2020, 10.00 am
Online only

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, 19 November 2020, 10.00 am, On-line 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 16 November 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 22 October 2020 have been previously circulated	
4	Worcestershire Wheels to Work (WW2W) Scheme Proposal	1 - 4
5	Resources Report - Revenue Budget Monitoring - Month 6 (30 September) 2020/21	5 - 14
6	Land Acquisition	To follow

NOTES

- Webcasting**

Members of the Cabinet are reminded that meetings of the Cabinet are broadcast 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 broadcast 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 Nichola Garner, Committee & Appellate Officer on Worcester (01905) 843579 or email: ngarner2@worcestershire.gov.uk

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

Date of Issue: Wednesday, 11 November 2020

This page is intentionally left blank

CABINET
19 NOVEMBER 2020**WORCESTERSHIRE WHEELS TO WORK (WW2W) SCHEME PROPOSAL**

Relevant Cabinet Member

Dr K A Pollock

Relevant Officer

Director of Economy and Infrastructure

Recommendation

- 1. The Cabinet Member with Responsibility for Economy and Infrastructure recommends that Cabinet:**
 - (a) approves commissioning the preparation of a business case for a Wheels to Work Scheme to confirm whether investment in a bespoke Wheels to Work Scheme for Worcestershire offers benefit to the County and value for money; and**
 - (b) notes that the completed business case and associated recommendations will be reported to Cabinet for a decision.**

Why is this Important?

2. This report is a response to Notice of Motion 1 Wheels to Work and Education, submitted to Council 16 July 2020. As the Motion is in relation to the exercise of an executive function it has been referred to Cabinet for a decision.

Background

3. This report considers the proposal set out in the following Notice of Motion which was agreed by Council at its meeting on 16 July 2020. 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.

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.

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 education who are unable to use passenger transport due to COVID-19 restrictions, lack of service provision or other constraints, 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."

(Mr Jenkins and Mrs Oborski (as mover and seconder) and Mrs Tucker (as third signatory of the Notice of Motion) have been invited to the meeting).

4. 'Wheels to Work' and other short-term transport assistance schemes typically involve the rental of mopeds, bicycles or e-bikes to residents for travel to work, or the provision of short-term subsidised rail or bus passes.

Rationale for Implementing a Wheels to Work Scheme

5. Worcestershire is a semi-rural county with over 85% of residents living in the main urban areas or on inter-urban corridors. These areas benefit from varying levels of access to key services and facilities. For the remaining 15% who live in more remote locations accessing employment can be difficult, particularly for residents who don't have access to a car. Access to bus services is a reasonable alternative for some residents. However, this can be more challenging in the remote areas of the county and for employment which requires working unsociable hours such as evenings or early mornings.

Strategic Benefits and Dis-benefits of a Wheels to Work Scheme for Worcestershire

6. Wheels to Work schemes exist to ensure those with limited means are able to access employment and become and/or remain economically active. They also deliver other strategic benefits by enabling users to access other services (health, education and training) as well as leisure and social opportunities, which can deliver

a significantly improved quality of life. Schemes can include bike and e-bikes which are environmentally friendly and may encourage users to maintain using these modes of transport beyond their participation in the Wheels to Work scheme, reducing personal travel costs and assisting in addressing environmental issues including air quality deterioration and congestion.

7. In some cases, Wheels to Work Schemes can eventually become revenue-neutral after initial set up costs, as users' hire charges cover the costs of operating the scheme. However, most schemes require some level of ongoing financial and resource (staff time) support to administer.

8. A further current consideration for a Wheels to Work scheme is that younger people are known to be disproportionately struggling to secure employment during the COVID-19 pandemic, whilst also being less likely to have access to private transport. A Wheels to Work scheme may increase opportunities for younger people to access a greater breadth of employment options at the very beginning of their working lives, at a time when opportunities may be more scarce than normal.

9. Local Authorities either deliver Wheels to Work Schemes in house, or commission these out to third sector or private sector providers. The business case will consider potential delivery options, based on experience from elsewhere, scheme focus and scope, risks and cost.

Wheels to Work Scheme Transport Modal Options

10. Wheels to Work schemes cover a variety of modal options, from moped and cycle hire to the provision of passes for public transport. No further work is proposed for the public transport option as this will duplicate alternative provision which is already established through the Job Centre and would therefore bring no additional benefits to Worcestershire.

11. However, it is proposed that the business case includes a review of the bicycle (including e-bikes) and moped options for Worcestershire to assess the potential benefits and costs of these different modes.

Finance

12. The initial costs of a detailed business is to be commissioned from consultants. The funding for this has been identified within the existing Transport Planning revenue budget within Economy and Infrastructure.

13. The business case will identify the detailed costs of establishing and maintaining a Wheels to Work scheme, depending on the modal option chosen. The initial and ongoing costs and requirements for funding of the scheme will form part of the subsequent Cabinet report to consider the business case.

Privacy and Public Health Impact Assessments

14. A public health impact assessment screening will be included in any business case development, with the findings published within the business case to ensure these influence any service specification made.

Equality and Diversity Implications

15. The development of a business case for a Wheels to Work Scheme for Worcestershire would be subject to an Equality Impact Assessment screening to ensure that the needs of protected groups are properly considered in any service specification.

Risks

16. There are no significant risks arising from this report because the recommendation is to procure a business case. The business case will consider the potential risk to the Council of developing a Wheels to Work scheme.

Supporting Information

Staffordshire Wheels to Work Scheme:

www.staffordshire.gov.uk/transport/wheels/RASPpage.aspx

Contact Points

County Council Contact Points

County Council: 01905 763763

Specific Contact Points for this report

Emily Barker, Head of Planning and Transport Planning

Tel: 01905 822071

Email: EBarker@worcestershire.gov.uk

Rachel Hill, Assistant Director

Tel: 01905 843539

Email: RJHill@Worcestershire.gov.uk

Supporting Information

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

Agenda papers for the meeting of the County Council held on 16 July 2020

CABINET
19 NOVEMBER 2020**RESOURCES REPORT – REVENUE BUDGET MONITORING - MONTH 6 (30 SEPTEMBER) 2020/21**

Relevant Cabinet Member

Mr S E Geraghty

Relevant Officer

Chief Financial Officer

Recommendation

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 30 September 2020;**
 - (b) **notes the financial impact and forecast for COVID-19 expenditure; and**
 - (c) **notes the emerging Medium Term Financial Plan risks.**

Executive Summary

2. This report details the 2020/21 outturn forecast for the Council's £345 million net revenue budget as at Month 6 (30 September 2020), the estimated financial impact of COVID-19 and progress to date on the savings and reforms programme.
3. Overall, the Council is forecasting a balanced budget outturn for 2020/21 but there may be a need to use the ear marked Financial Risk reserve or minimum revenue provision to fund any shortfall in funding from Government to meet the additional costs of COVID-19.
4. There is still risk to this forecast given the pressures on services currently being felt coupled with national trends, and whilst the Council has flexibility to use reserves in this way during 2020/21, we will continue to lobby Government for financial support towards these costs.
5. In total, the Council is managing around £77 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.
6. Looking forward to 2021/22 the Government have confirmed that there will now only be a one year spending review and that the planned Fair Funding review has been deferred. We understand the Chancellor of the Exchequer will make a statement on the budget on 25 November, but that any draft financial settlement may not be issued until as late as 17 December. This gives rise to a significant level of uncertainty at the same time as managing the response to COVID.

Summary Revenue Budget Monitoring 2020/21 Forecast at Month 6 (30 September 2020)

7. The County Council's net budget of £345 million was set by Full Council in February 2020.
8. This report covers the forecast financial position for 2020/21 to the end of Month 6 (30 September 2020).
9. The overall outturn forecast, taking account of using ear marked reserves or MRP to address any COVID shortfall, is that the Council is forecasting to be broadly balanced this year as set out in Table 1. A net overspend of £0.1 million represents a 0.04% variance on the net £345 million budget.

Table 1: 2020/21 Month 6 Forecast

Service area	Budget	Variance Month 6
	£m	£m
People – Adults	130.676	0.013
People – Communities	19.23	-0.123
People – Public Health	1.854	-0.025
Children's Services/WCF	101.449	0.000
Economy & Infrastructure	55.933	-0.023
Commercial & Change	6.925	-0.559
Chief Executive	0.97	-0.034
Total: Service excl DSG	317.037	-0.751
Finance/Corporate Items	29.794	-0.102
Non-assigned items	-1.692	0.986
TOTAL	345.139	0.133

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

Key Assumptions

11. There are a number of key assumptions made in the forecast this year. The most significant are:
 - The latest information regarding a second wave of COVID-19 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 the Clinical Commissioning Groups (CCG) from the 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.

12. The following table analyses at a high level the underlying impact of COVID-19 on income and expenditure:

Table 2: 2020/21 COVID-19 Forecast Income and Expenditure

Money Out	£m	Money In	£m	Comment
COVID General Response	51.5	COVID General Grants (4 Tranches)	-33.4	This is predominantly adult care support, with rising forecast cost of children's care; as well as support for set up and response such as Here2Help and digital support. The majority funded from 2 sources of income general grant and CCG / NHS reimbursement.
		CCG	-16.1	
DHSS Infection control - Tranche 1	7.5	Infection Control	-7.5	80% of this was passed direct to care providers, with 20% used by the council to secure PPE and provide a hub centre
DHSS Infection control - Tranche 2	6.4	Infection Control	-6.4	Expectation that 100% of this will be allocated to providers
District awards and school meals	0.6	Food & Supplies	-0.6	£0.560 was passed to districts for each to use to support vulnerable families through welfare and food schemes. £0.03m was used to support free school meals, including the recent half term.
Initial support for Test & Trace	2.7	Test & Trace	-2.7	80% of this was again used to support test and trace within care providers and 20% for general set up, for example walk in centres.
Additional Test & Trace	5.0	Containment Management Fund	-5.0	Contact service and local outbreak response team to be funded from £8 per 4 week grant for second national lockdown
Lost income forecast	2.7	Sales, Fees & Charges	-0.2	The Government's scheme means we will not recover all lost income (this excludes Council Tax). The first tranche of funding has the offset applied as such our receipted income (£0.2m) is less than actual lost income (£0.7m). By year end we expect to have had to cover c£0.7m from Council reserves.
Transport	0.8	Transport	-0.8	COVID Bus Subsidy Support Grants for April - June and July - Aug along with an element of the DfT Grant for support Services
Total money forecast out	77.2	Total money forecast in	-72.7	
		Shortfall	4.5	

13. Despite £72.7 million of Government grant to date we are forecasting to spend £77.2 million by 31 March 2021, a £4.5 million shortfall. It is proposed that this gap would be met by £1.5 million of general underspending efficiencies within service budgets, such as lower travel expenditure; and £3 million withdrawal from our ear marked Financial Risk reserves or use of minimum revenue provision headroom.

14. 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, £0.1m underspend

15. The People Directorate, comprising Adult Social Care, Communities and Public Health, is forecasting to overspend its £151.8 million budget by £0.1 million (0.1%).

People Services (Adult Social Care) Budget £130.7m, £0.01m overspend

16. Whilst this budget is almost forecast to break even, there are a number of underlying pressures arising as follows:

- £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 million overspend in respect of Learning Disability services due to increases in supported living package costs.
- £0.8 million underspend in Physical Disability services as a result of lower than budgeted activity numbers.
- £0.7 million overspend in Mental Health services due to an increase in residential placements.

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

17. The £0.1 million underspend 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:

- £0.4 million overspend which includes agency and overtime costs.
- £0.3 million underspend in Library Services.
- £0.1 million reduction in budgeted homecare income.

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

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

19. The ring-fenced Public Health Grant is forecast to have a £0.6 million in year underspend which is expected to be used to cover increased NHS Agenda for Change costs, additional support for alcohol/substance misuse programmes and setup of a Social Enterprise Mutual.

Education / Worcestershire Children First (excl. Dedicated Schools Grant) - Budget £101.4m, £0.8m overspend

20. The Worcestershire Children First (WCF) forecast is presented alongside services that remain within the County Council. In total these services are forecasting an overspend of £0.795 million at Month 6.

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

22. The forecast deficit is attributable to a recent increase in External Placements for Looked After Children, partially offset by underspends across the Social Care service. Increased costs have been incurred as a result of the impact of COVID-19 on the service's ability to move children and young people onto permanent arrangements. The expected cost of this impact is approx. £175k and this has been funded by additional Government Covid-19 grant.

23. Additional costs and lost income in the Transport services budget are estimated at £3.5 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 and this position is being reviewed regularly.

24. On 11 August 2020, the Government announced a Section 31 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 Dedicated Schools Grant (DSG) position is a forecast overspend of £1.9 million against a total budget of £222 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 £8.1 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) £0.8m deficit

28. WCF is forecasting a deficit of £0.795 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.
- £2.5 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, £0.02m underspend

30. The Economy and Infrastructure Directorate is forecasting to underspend its £55.9 million budget by £0.023 million (0.1%). This forecast is broadly break even and is consistent with previous reported periods.

31. Within this forecast, the most significant variations are as follows:

- £0.3m overspend in the Planning & Regulation budget as a result of consultant costs and non-delivery of savings targets.
- £0.3m underspend on Transport Operations following allocation of COVID grant monies.
- £0.2m underspend in Infrastructure & Assets as a result of staffing vacancies.

Commercial and Commissioning – Budget £6.9m, £0.6m underspend

32. The Commercial and Commissioning Directorate is forecasting to underspend its £6.9 million budget by £0.559 million (8%), virtually unchanged from previously reported.

33. 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.

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

Chief Executive/HR – Budget £0.9m, £0.034m underspend

35. The Chief Executive/HR function is forecasting to underspend it's £0.97 million budget by £0.034 million.

36. The most significant variance from budget is a £0.3 million variance as a result of underspends in the Talent Management Programme and staffing vacancies, offset by redundancy costs and agency costs.

37. 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

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

39. The £28.1 million budget for Finance/Corporate items is forecast to underspend in total by £5.2 million, no change from previous forecasts. Without COVID-19, this would have been available to support other priorities through adding to the Financial Risk Reserve.

40. 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.
- £4.1 million 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.
- £0.2 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.

Savings programme Update

41. 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 6 2020/21

	Target £m	Forecast £m	Variance £m
Savings Programme (February 2020 Council)	9.6	5.6	4.0
Brought forward from 19/20	4.1	4.1*	0.0
Total	13.7 100%	9.7 71%	4.0 29%

* 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.

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

43. Of the £9.7 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.

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

Corporate Income £346 million – Council Tax and Business Rates

45. The Council's Finance Team has been working through the Hereford and Worcester Treasurers Association on the latest position regarding the impact of COVID-19 on funding income streams. This is extremely difficult to call. The impact on Council Tax is felt through increases in those claiming Council Tax Support (changes in the furlough scheme and general risk to reduction in earnings/jobs) and it is expected this could take 2 to 3 years to unwind. This will deflate the growth in the Council taxbase.

46. The impact on business rates is just as difficult to call and depends on Central Government's business rate relief grants. The Council prudently manages some of this risk through the operation of a business rates pool with districts, however, again the impact is dependent on many external factors and recovery for those most affected could take a few years.

47. The Council has prudently applied to continue the successful Worcestershire Business Rates Pool for 2021/22 with the six Worcestershire District Councils and Hereford and Worcester Fire and Rescue Service. This may achieve a benefit next financial year which can help to mitigate some of these financial concerns, however the forecast is unpredictable.

48. It is imperative that these risks are considered in the Medium-Term Financial Plan, and managed separately if possible to preserve front line service budgets.

Legal Implications

49. 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

50. 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.

51. 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.

52. 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.

53. 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.

54. Looking forward to 2021/22 the use of any reserves would always need to be considered as part of the financial resilience so further grants and funding announcements are key. We understand that the 2021/22 draft financial settlement will not now be available until maybe 17 December 2020, and there is significant uncertainty in the outcome of that.

HR Implications

55. 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.

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

Equality Duty Considerations

57. 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

58. 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.

59. 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

60. 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.

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

62. 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.

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

Supporting Information (available electronically)

- **Appendix 1** – Budget Monitoring Outturn Forecast for Month 6 – 30 September 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

Contact Points

County Council Contact Points

County Council: 01905 763763

Specific Contact Points for this Report

Michael Hudson, Chief Financial Officer, 01905 845560, mhudson@worcestershire.gov.uk

Stephanie Simcox, Head of Finance, 01905 846342 ssimcox@worcestershire.gov.uk

Mark Sanders, Chief Accountant, 01905 846519, mssanders@worcestershire.gov.uk

Background Papers

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

Previous Cabinet Resources Reports

This page is intentionally left blank