

Worcestershire County Council

Agenda

Cabinet

Thursday, 23 September 2021, 10.00 am
County Hall, Worcester

This document can be made available in other formats (large print, audio tape, computer disk and Braille) on request from Democratic Services on telephone number 01905 843579 or by emailing democraticservices@worcestershire.gov.uk

Find out more online:
www.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, 23 September 2021, 10.00 am, County Hall

Membership: Cllr Alan Amos, Cllr Marc Bayliss, Cllr Matt Dormer, Cllr Simon Geraghty (Chairman), Cllr Adrian Hardman (Vice Chairman), Cllr Marcus Hart, Cllr Adam Kent, Cllr Karen May, Cllr Tony Miller and Cllr Andy Roberts

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 Governance team in writing or by e-mail indicating both the nature and content of their proposed participation no later than 9.00am on the working day before the meeting (in this case Wednesday 22 September). Further details are available on the Council's website. Enquiries can also be made through the telephone number/e-mail address listed on the website and in the agenda.	
3	Confirmation of the Minutes of the previous meeting The Minutes of the meeting of 22 July 2021 have been previously circulated	
4	School Sufficiency and Organisation for the Pershore Area	1 - 12
5	Local Cycling and Walking Infrastructure Plans	13 - 24
6	National Bus Strategy - Agreement of Bus Service Improvement Plan	25 - 32
7	Establishment of Museum Charitable Body	33 - 34
8	Adult Social Care - Local Account	35 - 36
9	Revenue and Capital Monitoring	37 - 68

NOTES

- **Webcasting**

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 Kate Griffiths, Committee Officer, on Worcester (01905) 846630 or email: DemocraticServices@worcestershires.gov.uk

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

Item No	Subject	Page No
---------	---------	---------

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.

CABINET
23 SEPTEMBER 2021**SCHOOL SUFFICIENCY AND ORGANISATION FOR THE
PERSHORE EDUCATION PLANNING AREA**

Relevant Cabinet Member

Cllr Marcus Hart, Cabinet Member with Responsibility for Education

Relevant Chief Officer

Director of Children's Services

Local Member(s)

Councillors:

Daniel Boatright (Persnore)

Linda Robinson (Upton Snodsbury)

Adrian Hardman (Bredon)

Liz Eyre (Broadway)

Marc Bayliss (Bowbrook)

Laura Gretton (Harvington)

Recommendations

- 1. The Cabinet Member with Responsibility for Education recommends that Cabinet:**
 - a) approves a pre-publication consultation with stakeholders on the proposal for a coordinated change of age range to align schools in the Persnore Education Planning Area to a single, two-tier (primary and secondary) system of education;**
 - b) supports Worcestershire Children First to continue to manage this change and coordinate the consultation with families, residents, and other stakeholders; and**
 - c) considers a report of the consultation findings and full proposals in February 2022**

Background

- 2. In October 2017, the Leader delegated authority for the publication of statutory proposals for prescribed alterations to maintained schools to:**
 - a) The Director of Children, Families and Communities, in consultation with the CMR for Education and skills, for all decisions in respect of initial consultations for statutory proposals relating to prescribed alterations to maintained schools and organisation changes;**

- b) The CMR with responsibility for Education and Skills to take all decisions in relation to the public notice of statutory proposals relating to prescribed alterations to maintained schools including school places and organisation changes
- c) The Director to decide the proposals where no objection to the public notice is received and
- d) The CMR for Education and Skills to decide proposals where objection to the public notice is received.

3. The delegated decision maker to approve consultation is the Director of Children's Services in consultation with the Cabinet Member with Responsibility for Education, however due to the significance of the potential outcome, scale, complexity, range of stakeholders and decision makers linked to this proposal along with the level of likely public interest it is recommended this be considered by Cabinet.

4. The delegated decision maker to approve the publication of statutory notices following consultation is the Cabinet Member with Responsibility for Education, however due to the significance of the potential outcome, scale, complexity, range of stakeholders and decision makers linked to this proposal along with the level of likely public interest it is recommended this be considered by Cabinet in February 2022.

5. The County Council has a statutory duty to ensure a sufficiency of school places for all children resident in the county who wish to attend a state funded school.

6. Changes to schools in the Pershore education planning area over several years by DfE and WCC has led to uncertainty and sustainability concerns across the education planning area. This creates a risk to ensuring clear and quality education journeys for pupils in Pershore and the surrounding rural villages and ensuring the sustainability of a number of small rural schools.

7. Following a direct approach from schools in the autumn of 2020, and consultation with Cabinet members, the Pershore Education Planning Area (EPA) schools were engaged in a technical analysis to evaluate the risks and issues relating to the current organisation of the schools in the planning area.

8. During 2020/21 Worcestershire Children First (WCF) has facilitated engagement with education stakeholders including all schools in the pyramid; Multi-Academy Trust (MAT) CEOs; the Regional Schools Commissioner (RSC); and the Diocese to find agreed solutions to manage this risk within the education planning area.

9. Between July and September 2021, the schools' governing bodies and Multi-Academy Trusts (MATs) have confirmed their agreement / intentions to consult on the change to a two-tier Education Planning area, seek changes of age range (where necessary) and in the instance of the Middle Schools amalgamate with the First Schools.

10. The Pershore Education Planning Area (EPA) incorporates part of the Wychavon district, made up predominantly of small rural villages. A map of the area the education planning area is available in **appendix 1**.

11. Until 2019, the education provision in this area has followed a three-tier journey, where pupils attend first schools from the ages of 4-9 (reception to year 4), transfer to middle schools at age 9-12 (year 5 to 7), and then transfer for a final time to high school at age 12 to complete their education (year 8 to year 13).

12. From 2018 onwards the following changes were agreed or submitted within the Pershore EPA:

- a) The Orchard, Inkberrow, and Norton-Juxta-Kempsey CE converted to Primary schools in September 2019, Avonreach Multi-Academy Trust gained approval from the Regional Schools Commissioner (RSC) to vary age range of the three first schools and the high school (approved Dec 2018);
- b) Pershore High converted to a Secondary school in September 2021, although still operate an intake point at year 8, meaning pupils either start at year 7 (two-tier pyramid) or year 8 (three tier pyramid). Avonreach Multi-Academy Trust gained approval for the age range change from the Regional Schools Commissioner (RSC) in December 2018;
- c) Flyford Flavell converted to a Primary school in Sept 2020, approved in April 2020 by Worcestershire County Council;
- d) Himbleton C.E. converted to a Primary from Sept 2021, approved in October 2020 by Himbleton Governing Body; and
- e) Crowle C.E. have submitted an application to the RSC to convert to a primary school from Sept 2022 - The decision-making body is the RSC.

13. These schools therefore are not proposing any further age range changes.

14. Further details of the schools operating in the Pershore pyramid are outlined in **appendix 2**. As a result, the EPA is now made up of a mix of education tier journeys. The pyramids are outlined in **appendix 3 and 4**.

15. Across Worcestershire we seek to maintain a 5% surplus in line with the agreed strategic aims as outlined in the Worcestershire Education and Skills Strategy¹ (2019 – 2024). The creation of additional places in years 5, 6 and 7 as a result of the approved changes has resulted in a forecast level of surplus in these year groups of 31% in September 2021, which is projected to rise. This is outlined in **appendix 6**.

16. Over the last two years, we have seen parents choosing a two-tier system of education in their admissions applications. With an increasing percentage choosing to remain at converted primary schools, or a number choosing to transfer from first to primary schools. For small rural first schools, this can have a notable impact on sustainability. Please note the increasing retention rates at primary schools in **appendix 7**.

17. Between 2013 and 2018, an average of 3% of pupils moved out of the pyramid between year 4 and 5. In 2019 the area gained an additional 3% of pupils in this year

¹ <https://worcestershire.moderngov.co.uk/documents/s22939/Cab%2020190926%20Educ-Skills%20Strat-app1.pdf>

transfer. Despite this, the retention is not significant enough to offset the reduction in pupils in middle schools. The number on roll in middle schools is outlined in **appendix 8**.

18. By 2023 we anticipate that two of the middle schools in the area will be operating at around 50% capacity.

19. A decline in preference for a three-tier system has been further exacerbated by the middle school Ofsted ratings. Abbey Park Middle (community maintained), St Barnabas CE First & Middle (DOWMAT academy) and St Nicholas CE Middle (DOWMAT academy) are currently rated as 'requires improvement' by Ofsted. Ofsted noted at the recent inspection (June 2021) of St Nicholas CE Middle School that it is an improving school.

20. This represents a risk to the ability of schools in this EPA to deliver quality and sustainable education journeys for all pupils, and we see additional first schools continue to consider primary conversion in order to sustain their education provision for the future. This has continued impact on middle schools.

21. Based on the impacts of these changes and projection of further change it is recommended to consult in review of the future provision in this area to ensure a consistent and quality educational journey for all children and enable a coordinated and cohesive approach of change for the pyramid if this is required.

Collaborative Approach

22. Since November 2020, Worcestershire Children First have facilitated education partners in this area to come together on a number of occasions to understand the issues and opportunities, to collaborate on agreed principles, and consider options for the future.

23. This has involved engagement from:

- a. All school head teachers in the EPA and governing bodies
- b. All Academy Trust operational partners in the EPA
- c. The Diocese of Worcester
- d. The Department for Education
- e. The Education Funding Agency
- f. The Regional Schools Commissioner

24. The key findings from these engagement exercises indicated a consensus view that change needs to occur; recognises the importance of working together particularly during any transition phase to ensure minimal disruption to pupils and staff and following any changes; and that any changes would have an impact on accommodation, some schools would require additional facilities, while this would create surplus accommodation in others for which there are opportunities.

25. These changes could also have an impact on vulnerable groups, including children with special educational needs and disability, and pupils in the Gypsy Roma and Traveller (GRT) communities. 2.5% of pupils in the Pershore EPA are from the GRT community compared to an average of 0.6% across Worcestershire.

26. Any change cannot be made in isolation and there are many interdependencies of nearby planning areas. It is likely that an aligned tier structure to Worcester EPA will see more pupils seeking a secondary school place in Worcester City and reduced demand for places in Pershore. Moreover, a new Worcester City secondary school could have a catchment which could affect this planning area.

27. Any coordinated change will require multiple parties to work collectively, including maintained and voluntary schools, as well as two academy trusts. As a result, there are multiple decision makers, as per **appendix 2**, which will require a coordinated approach to decision making.

28. In addition, a number of principles were agreed when considering any potential options for change, including:

- a. Change is undertaken in a way that is clear for families, and stakeholders must be provided with adequate consultation opportunities and given sufficient notice to allow informed decisions to take place
- b. Any changes to provision must follow a statutory, legal, and democratic process. All decision-making bodies must: act rationally; take into account all relevant information; and follow a fair process.
- c. A programme of cross-working is required to ensure schools and pupils are supported through the transition and beyond, building on existing good practice and ensure Key Stage 2 still has opportunities to meet pupils from other schools
- d. Not to cause a reduction in early years facilities at schools which are crucial to ensure children can access places in the local community

Conversion to a Single Tier Structure

29. Conversion to a single tier (primary and secondary school) system would ensure the sustainability of education provision and provide clarity and confidence to education partners and families.

30. For a single tier structure to be in place the following changes would need to take place:

- a. Conversion of the following first schools to primary, resulting in accommodation changes
 - i. Crowle CE First School (DoWMAT)
 - ii. Fladbury CE First School (Voluntary Aided)
 - iii. Upton Snodsbury CE First (Voluntary Controlled)
 - iv. Defford-cum-Besford CE First (Voluntary Controlled)

- b. Conversion of St Barnabas CE First & Middle School (DoWMAT) to primary age range
- c. Amalgamation of Abbey Park Middle and Abbey Park First School (Community) to provide a single primary school on this site
- d. Amalgamation of St Nicholas C.E. Middle School and Pinvin CE First School (DoWMAT) to provide a single primary school on this site
- e. Increase of places at Pershore High (Avonreach Academy Trust) in year 7

31. These changes require school organisation processes as outlined by DfE guidance ([School organisation - GOV.UK \(www.gov.uk\)](https://www.gov.uk)). They will involve either a statutory or non-statutory process.

32. These changes would provide the greatest amount of stability to the planning area, with no further changes to the tier system required after completion.

33. Under this option, families in Pershore EPA would no longer be able to access three-tier provision within the EPA. **The extent to which families still want this choice will be assessed as part of the consultation process.**

34. The changes are proposed as it provides the best opportunity to ensure the delivery of high quality and clear education journeys for pupils across the planning area.

35. There are several ways that conversion to a single tier structure could be implemented. **It is recommended that the options below are included in the consultation to gauge stakeholder views on the preferred option.** The processes are outlined below:

Process 1: Transition in line with natural progression. All changes made by September 2024.

36. This would result in the change of age range at all first schools by September 2023, in line with the removal of the year 5 intake at middle schools in September 2023, and all pupils to transition to Pershore High for year 7 provision from September 2023. This would mean:

- a) Final year 5 intakes at Abbey Park Middle and St Nicholas CE Middle would be the only year groups on roll in those schools in 2023/2024 (year 6). However, both are co-located with first schools
- b) Students applying for middle school places for 2022 will make their application in Autumn term 2021, before the final decision on these proposals are made.

37. This process sufficiently meets all school organisation and statutory requirements for making changes of this type and is therefore the recommended option by Officers.

Process 2: Some disruption and greater impact for families. All changes made by September 2023

38. This would result in the change of age range at *most* first schools in 2022, with all first schools converted to primary by September 2023, in line with the removal of the year 5 intake at middle schools in September 2023. This would mean:

- a) Removal of years 5, 6 and 7 at Abbey Park Middle and St Nicholas Middle and change of age range at St Barnabas from September 2023, with year 5 and 6 delivered by Abbey Park Primary and St Nicholas Primary. All year 7 places delivered by Pershore High from September 2023
- b) This will require pupils on roll in year 5 at middle schools in 21/22 to make applications to transfer back to a primary school for 22/23, then onto secondary school for year 7 for 23/24.

39. This process will require some families to make three school applications in three years, impacting on education journeys during transition. Therefore, this process is not recommended.

Process 3: Fastest change with least consultation. All changes made by September 2023

40. All first schools converted for September 2022, with the final year 5 intake at middle schools in September 2021. This would mean:

- a) Accommodation changes to be actioned over the next 12 months.
- b) An emergency variation in admission arrangements for Abbey Park Middle and St Nicholas Middle School so that there is no intake in September 2022 (applications made Autumn 2021)
- c) Pathways would be clearer for pupils when they start year 5 in September 2022.

41. An emergency variation does not provide sufficient consultation time before families will be asked to make a decision. Moreover, the Schools Adjudicator is the decision-making body for emergency variations and therefore the outcome of this application cannot be determined by current stakeholders. This solution has been confirmed as the preferred option by several schools to enable the change to take place over the shortest transition phase.

Other tier options

42. Other tier system options have been considered by the collaborative groups for the EPA, they include doing nothing or having a mixed pyramid structure. The majority of first schools in this system are small rural schools and therefore extremely vulnerable to changes. Most have communicated a desire and eagerness to transition to primary and it is likely that they will undertake this change irrespective of a coordinated approach. Making individual changes would risk the financial stability and quality of education provision delivered by the middle schools.

43. In order to ensure schools can continue to provide good outcomes for children, management of the planning area must be undertaken to ensure the system is sustainable and suitable and therefore doing nothing cannot be considered.

44. To deliver a mixed two-tier and three-tier system across Pershore would require the retention of either one or two middle schools in the area.

45. Scenario analysis has shown that the retention of two middle schools would still result in a surplus of approximately 50% capacity by 2023. The retention of a single middle school would require a change of all remaining first schools to feed into a single middle school. However, both scenarios require all remaining first schools to remain as such, and a number of those schools have already indicated their desire to convert to primary as per **appendix 2** and **appendix 4**.

46. Therefore, no three-tier system would be sustainable and therefore this option is not recommended.

Specialist provision

47. Abbey Park First and Middle and Pershore High School have Mainstream Autism Resources Base provision on site for children and young people with an identified Autism diagnosis and an EHCP naming resourced provision. There is no indication that this provision would need to alter significantly apart from the age range for both bases in line with the school age ranges.

48. There may be opportunities to consider additional specialist and or multi-agency provision in those schools that identify surplus accommodation.

Consultation

49. Although there is no longer a requirement for pre-publication consultation, the DfE guidance does recommend Local Authorities and Governing Bodies ensure open and fair consultation with parents, any affected educational institutions in the area (e.g., primary, secondary, special schools, sixth form and FE colleges as required) and other interested parties. The [consultation principles guidance](#) can be referenced for examples of good practice. Consultation papers, online surveys and consultation events will be available to all stakeholders. Local and Cabinet Members will be invited to attend any events taking place, facilitated by either the Local Authority, Governing Bodies or Academy Trusts.

50. The proposed timeline includes:

- a) September 23 Cabinet consideration of public consultation on the recommendations outlined
- b) If approved by Cabinet, October 11 – November 26 Public Consultation, including consultation on all proposals with parent carers, children, and young people
- c) February 2022 Cabinet consideration of the approval of school organisation and admissions changes at maintained (community) schools following public consultation feedback.

Legal, Financial and HR Implications

Decision Makers

51. Multiple decision-making bodies are required to coordinate an area-wide change including Worcestershire County Council, the DfE, and School Governors. The relevant decision-making body for each school is determined by the status of the school. The Local Authority is the decision maker for Community Maintained Schools, Governing Bodies are the decision maker for age range changes of up to two years for their school, and the Regional Schools Commissioner is the decision maker for Academy Schools.

Statutory Process

52. Although there is no longer a statutory 'pre-publication' consultation period for prescribed alteration changes, there is a strong expectation that schools and LAs will consult interested parties in developing their proposal prior to publication, to take into account all relevant considerations. Schools should have the consent of the site trustees and where a school is designated as having a religious character the trustees of the school, the diocese or relevant diocesan board, or any other relevant faith body.

LA statutory duties

53. The Local Authority has a statutory duty to ensure a sufficiency of school places for all children living in the LA area who wish to access state-funded education. The current situation poses a risk to the LA's ability to continue to meet its statutory duties due to the instability it is currently causing for small rural and middle schools in this area.

Financial

54. The proposal will have capital and revenue implications for a number of different education providers in this EPA. Detailed feasibilities have begun at required schools to understand full capital and revenue costs and accommodation implications.

55. This proposal would require the expansion of accommodation at four first schools by 25-30%. These are small rural schools and although initial consideration of accommodation changes required would be feasible on existing sites, the changes will have capital implications. However, the changes will also release accommodation in other schools, where opportunities exist to increase reception places in line with new housing or develop further special educational needs provision. Aerial maps of affected school sites are available under **appendix 9**.

56. Capital costs to deliver accommodation changes as required are estimated to be in the region of a total of £4million across all changes and across funding bodies based on a cost per pupil place model, though costs are expected to be higher in part due to the impact of C19 on materials. At present, no capital budgets have been identified to fund the changes, however several opportunities exist that will be pursued:

- a. The expectation will be that the DfE will support funding for Academy Trusts in either revenue or capital funding requirements
- b. Changes to Pershore High (Academy), estimated to cost approximately £2.8m. Pershore High has been named in the first 50 schools of the DfE rebuilding programme² which provides an opportunity to incorporate the changes required at the school into a wider scheme. The ESFA are working with the complex capital team on this matter.
- c. There will be capital costs relating to the four LA maintained schools, based on the cost per pupil place this will cost a minimum of £1.35m **This will require LA funding as does not meet a basic need or maintenance requirement.**
- d. Feasibilities are being undertaken to determine the exact costs of capital works and implications for the Capital Programme prior to final decisions being required.

57. This EPA change would have an impact on the Schools Transport budget. The policy can be managed during the transition stage to ensure pupils are still eligible for transport support irrespective of whether they apply for primary or middle school places during this stage. Due to the reduction of intake in particular at St Nicholas Middle, Schools Transport have been able to remove a bus, this has offset the cost of the additional transport at Pershore High, so we are expecting 2022/2023 to be cost neutral. Further technical analysis will be undertaken to understand the implications for transport costs longer term.

58. HR implications for schools would include reductions in some schools and the need for more staff in other schools. This does present a risk of potential redundancies and the costs associated with this. WCF will continue to update and engage with the trade unions.

59. Revenue implications for schools are yet to be fully determined – whilst middle schools may be at increased risk from financial deficits during the change period, as pupil numbers decrease, Primary and Secondary schools will have the increase in numbers and pupil-led funding. The revenue implications will need to be reviewed and carefully managed on a school-by-school basis.

Risk Implications

60. At present, the 3-tier system in Pershore is not sustainable and therefore the Local Authority is at risk of failing in our statutory duty to ensure a sufficiency of good school places in this area.

61. A small number of staff would be affected or at risk as a result of this change. For the two academy schools, this could result in a small number of redundancies. The

² [School Rebuilding Programme - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

Education and Skills Funding Agency (ESFA) have been notified of this concern and are working with the Multi Academy Trust.

62. Capital costs could increase due to the impact of C19 on material costs, WCF and WCC are working together to monitor and manage the education capital programme accordingly.

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

63. A joint impact assessment (JIA) screening (Appendix 10) has been carried out in respect of the proposed options. It identified that further impact analysis will be required in respect of a full Equality & Public Health and Environmental Sustainability Impact assessments to identify and manage the impact of the proposed changes to those with protected characteristic, together with any mitigation should this be approved by Cabinet following consultation.

Supporting Information

All available electronically

- Appendices 1-9 as attached
- Appendix 10 - Joint Impact Assessment Screening
- DfE guidance on school organisation changes - [School organisation: local-authority-maintained schools](#) and [Academies: making significant changes or closure by agreement](#)

Contact Points

County Council Contact Points

County Council: 01905 763763

Specific Contact Points for this report

Sarah Wilkins, Director of Education, Worcestershire Children First Tel: 01905 846082

Email: swilkins@worcschildrenfirst.org.uk

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 Change of Age Range Policy - [Cabinet on Thursday, 30 January, 2020](#)

This page is intentionally left blank

CABINET
23 SEPTEMBER 2021**LOCAL CYCLING AND WALKING INFRASTRUCTURE PLANS**

Relevant Cabinet Member

Cllr A Amos

Relevant Chief Officer

Strategic Director of Economy and Infrastructure

Recommendation

- 1. The Cabinet Member with Responsibility for Highways and Transport recommends that Cabinet:**
 - (a) authorises the Cabinet Member with Responsibility for Highways and Transport to approve individual Local Cycling and Walking Infrastructure Plans for public consultation and modification; and**
 - (b) authorises the Cabinet Member with Responsibility for Highways and Transport to adopt individual Local Cycling and Walking Infrastructure Plans for implementation.**

Why are these decisions important?

2. It is important that these decisions are made to enable the Local Cycling and Walking Infrastructure Plans (LCWIPs) to be developed and adopted in Worcestershire, linked to the active travel aspirations in Local Transport Plan 4 (LTP4). The LCWIPs will set out the strategic walking and cycling networks for their geographic area, developing the corridors set out in LTP4, and providing additional context on routes, barriers, trip attractors and proposed improvements.

Background

3. In 2017 the Government published a Walking and Cycling Investment Strategy setting out their ambition to increase walking and cycling, through:
 - Better safety: a safe and reliable way to travel for short journeys
 - Better mobility: more people walking and cycling- easy, normal and enjoyable
 - Better streets: places that have cycling and walking at their heart.

This document introduced the concept of Local Cycling and Walking Infrastructure Plans (LCWIPs) to set out aspirations for a formal network of cycling and walking routes linking together key destinations such as employment, retail, schools and residential areas.

4. In 2020 Government published Gear Change: a bold vision for walking and cycling alongside Active Travel Fund This document set out the vision “*We want- and*

need - to see a step change in walking and cycling in coming years. The challenge is huge, but the ambition is clear. We have a unique opportunity to transform the role walking and cycling can play in our transport system and get England moving differently.”

5. The Local Cycling and Walking Infrastructure Plan (LCWIPs) are a part of the vision and ambition set out by Government. They are strategic documents which set out the proposed network for walking and cycling within a defined geographic area such as a town or city. They enable a long-term approach to the development of networks, typically over a ten-year period and set priorities for investment in relevant infrastructure.

6. They also set out a narrative to explain and justify the proposed network, looking at considerations such as barriers to walking and cycling, trip attractors, existing links and infrastructure

7. LCWIPs are not statutory documents however funders, including the Department of Transport (DfT), are increasingly targeting their funding at schemes within LCWIPs and to understand how their funding will contribute to delivery of the wider network.

8. The current Local Transport Plan (LTP4) sets out the County Council's strategic aspirations for walking and cycling and identifies proposals for a series of overarching active travel corridors.

9. Active travel corridors are systematic investments in walking and cycling links along an identified corridor to create a comprehensive, integrated network linking to trip attractors, including school, rail stations, town centres, and employment locations. This will include surfacing, lighting and public realm improvements to create an attractive and coherent network. LTP4 includes a total of 28 strategic active travel corridors across the county providing links between and within the urban settlements. In addition active travel corridors are also being delivered on site as part of housing and employment development and as part of major road network schemes such as in Bromsgrove with new provision along the A38 corridor.

10. It is proposed to develop a series of LCWIPs for the county focussed on the individual towns and Worcester City. These documents will build on the overarching strategic active travel corridors set out in LTP4, providing details of the proposed routes for walking and cycling, trip attractors and considering any barriers to proposals.

11. Since LTP4 was adopted in 2017 significant progress has been made in implementing active travel corridors. Further details of scheme delivery is included in the appendix, with a number of schemes highlighted below:

- National Productivity Investment Funded package in Bromsgrove
- New active travel as part of the early package of the A38 in Bromsgrove linking to South Bromsgrove High School
- Upgrades to walking and cycling provision alongside the dualling of SLR4 including Hams Way, Broomhall Way and Crookbarrow Way bridges
- Delivery of Kepax Bridge an active travel bridge across the Severn
- Evesham delivery of the new walking and cycling bridge at Hampton

12. In 2020 the Department of Transport released the Emergency Active Travel Fund. Worcestershire County Council will be using this funding to deliver:

- Kidderminster canal towpath resurfacing
- Redditch enhancements to routes through Arrow Valley County Park
- Pershore delivery of a new active travel route as part of the Pershore infrastructure improvements
- Worcester canal towpath surfacing

13. Active travel elements have also been included in funding bids submitted or in development including Levelling up Fund, developer contributions, and Major Road Network Improvement Fund. We are also working with the District and City council to secure active travel funding from other sources such as the Towns Fund.

14. A bid for £198,000 has been submitted through the Department of Transport's Capability (revenue) Fund to fund the production of four LCWIPs during the current financial year. The outcome of the bid is expected in autumn 2021. The LCWIPs will be for Kidderminster, Redditch, Malvern and Droitwich at an estimated cost of £150,000.

15. The bid also included funding for an active travel officer to promote walking and cycling within Worcestershire. This postholder will work with schools, community groups and businesses to encourage walking and cycling for leisure or commuting as part of more active lifestyles with the resulting health benefits.

16. A further LCWIP has been developed for Evesham using existing resources, with input from the Evesham Transport Stakeholder Group and Sustrans. This document will be subject to public consultation later this year.

17. Further LCWIPs will be developed as revenue funding becomes available.

18. The development and adoption of LCWIPs does not bring any capital funding allocations but will enable the County Council to be in a stronger position to apply for capital funds to implement the proposed routes from a range of sources including the DfT.

Legal Implications

16. None arising directly from this report.

Financial Implications

17. A bid has been submitted to the DfT's Capability Fund for the revenue to fully fund the development of four LCWIPs as set out in this report, a total of £150 000. An announcement on the outcome of the bid is expected in autumn 2021.

18. Should the full amount of funding not be secured, we will reduce the number of LCWIPs to be produced in this financial year commensurate to the funding available. This is to ensure that the documents produced are in line with the guidelines produced by the DfT, which will enable applications for future capital funding.

19. Further funding will continue to be sought from the DfT and other sources, such as developer contributions, for the development of future LCWIPs.

HR, Privacy and Human Rights Implications

20. No Human Resources, Privacy or Human Rights Implications have been identified.

Risk Implications

21. Key Project Risks are set out below:

Risk	Mitigation
Failure to adopt LCWIPs	Reduced ability to secure funding to walking and cycling corridors.
Failure to secure further revenue funding for LCWIPs	Reduced ability to develop further LCWIPs, reliance on internal resources

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

22. A **joint impact assessment (JIA)** screening (and any full impact assessments – if screening indicates that they are required) **must** have been completed before the cabinet report is submitted.

No implications arising

Supporting Information

Appendix – table of schemes

Contact Points

Specific Contact Points for this report

Rachel Hill, Assistant Director- Economy, Infrastructure and Waste

Tel: 01905 843539

Email: rjhill@worcestershire.gov.uk

Emily Barker, Head of Planning and Transport Planning

Tel: 01905 846723

Email: ebarker@worcestershire.gov.uk

Background Papers

In the opinion of the proper officer (in this case the Strategic Director for Economy and Infrastructure) there are no background papers for this report.

Appendix 1

Active Travel Schemes (formerly Emergency Active Travel Scheme) Progress

Scheme	Brief Description	Current status (feasibility, development, delivery, complete)
Phase 1 £135 000		
Cycle. Travel	Interactive active travel mapping for WCC website	Complete
Park That Bike	Cycle parking provided for businesses, town centres, leisure facilities	Complete
Evesham Town Centre	Cycling parking	Complete
Bromsgrove to Redditch active travel corridor	Lining and signing of Brockhill Lane and Tuthill Lane	Complete
Silverwoods Link, Kidderminster	Link from Worcester and Birmingham Canal to Silverwoods Way (Hoo Brook Link Road).	Working with WFDC to deliver pending land transfer
Worcester to Malvern ATC	Surfacing improvements linked to the Pinchpoint Eol. Old Road, Powick resurfaced.	Complete
Worcestershire Parkway	Provision of covered cycle parking	Working with GWR to agree installation
Phase 2 £649 200		
Scheme Consultation	Required by DFT prior to confirming funding. Planned for post purdah.	Complete
Pershore; Wyre Road	A part of the delivery of the new highway infrastructure in Pershore	Delivery as part of the highways improvement works
Redditch; Arrow Valley Active Travel Corridor	Targeted works to enhance the capacity of routes connected to the Arrow Valley. Linked to the e-scooter trail	Detailed route feasibility

Worcester; Diglis to Sixways Canal Towpath		Working in partnership with Worcester City and Canal & Rivers Trust
Wyre Forest; Stourport to Kidderminster	Surfacing and upgrading well used canal tow path walking and cycling route	Working in partnership with Wyre Forest DC and Canal & Rivers Trust

Revenue Funding 2021/22

Scheme	Brief Description	Current status (feasibility, development, delivery, complete)
DfT Active Travel Capability (Revenue) Fund	Revenue for plans and programmes to further the promotion and delivery of active travel and cycling	Bid submitted for 4 x Local Cycling and Walking Infrastructure Plans
DfT Active Travel Capability (Revenue) Fund	Revenue for plans and programmes to further the promotion and delivery of active travel and cycling	Bid submitted for an Active Travel Officer post

Cycle Infrastructure delivered Sept 2019 – October 2020

Scheme	Brief Description	Current status (feasibility, development, delivery, complete)
Parkway ATC	Pedestrian and cycle signage	completed 09-04-2020
Bromsgrove NPIF Link 1 NCN5	Pedestrian and Cycle signage and lining	Completed 03-06-2020

Bromsgrove NPIF Link 2 LCN1	Pedestrian and Cycle signage and lining	Completed 03-07-2020
Bromsgrove NPIF Link 3 NCN5	Pedestrian and Cycle signage and lining	Completed 03-07-2020
Bromsgrove NPIF Link 4 LCN23	Pedestrian and Cycle signage and lining	Complete Nov 2020
Bromsgrove NPIF Link 5 & 7 LCN 22	Pedestrian and Cycle signage and lining	Complete Nov 2020
Bromsgrove NPIF Link 8 LCN 2	Pedestrian and Cycle signage and lining	Complete Nov 2020
Bromsgrove NPIF Link 9 LCN 1 & 22 NCN46	Pedestrian and Cycle signage and lining	Complete Dec 2020
Bromsgrove NPIF Town Centre Links LCN 1, 22 & NCN 5 & 46	Pedestrian and Cycle signage and lining	Complete Dec 2020
Bromsgrove NPIF Finals	Pedestrian and Cycle signage for top of sign posts 50No Designed by local school pupil	Complete Jan 2021
Whittington Rd Safety Improvements	Improved lining for safety, following reported cycle/vehicle conflict at junction of shared use path. Hedge cutting and repair of damaged shared use footways also resolved.	Completed 24-06-2020
NCN41 St Davids, Evesham	Footway widening to accommodate shared use, bollards, signing and lining	Completed 07-09-2020
Bromsgrove NPIF Link 7 LCN22 Stoke Road/ Newton Road	Footway widening to accommodate shared use, bollards, signs and lining	Completed 22-11-19
Bromsgrove NPIF Link 3 NCN5 College Rd Crossing point	Build out with Rediweld bolt down islands and keep left bollards to make a shorter crossing point for users.	Completed 21-10-2020
Bromsgrove NPIF Link 5 – Bant Mill Road	Footway widening to accommodate shared use, signs and lining	Completed 17-01-20
Bromsgrove NPIF Link 3 NCN5 Fordhouse Road and Carnforth	Shared footway widening and improvements to access existing bridge with new barriers added for safety on users joining the highway	Completed 01-06-2020
Bromsgrove NPIF Link 9 Watt Close LCN22	Footway widened and bollards added to prevent parking by parked cars	Completed 10-01-2020

Bromsgrove NPIF Link 1 NCN 5 Broad Street, Melbourne Rd & Providence St	Stagger junction on NCN5 cycle route made safer by making section of Broad Street 20mph with speed cushions and reduced certain private access to a few to help with safety and visibility of cyclist crossing busy road and shopping area	Completed 12-11-2019
Bromsgrove NPIF Link 9 LCN22 Watt Close	Hand rail and barriers fixed and made safe next to Spadesbourne Brook	Planned 02-11-2020
Bromsgrove NPIF Link 9 NCN46 LCN 1 Church Lane Kidderminster Rd Junction	One way Plug on Church Lane to allow cyclist on Link 9 to be protect when coming off the new shared path on Kidderminster Road turning up into Church Lane towards the town centre. Protected with build outs from traffic turning onto them as that vehicle movement will be banned	Planned Dec 2020
Bromsgrove NPIF Link 8 – LCN2 Manor Court Road	Footway widening to accommodate shared use, bollards, signs and lining	Completed 03-03-20
Bromsgrove NPIF Link 5 LCN22 Old Station Road	Contra Flow Cycle Lane in one way street to allow cyclist to have short cut through a complicated one way system.	Planned Dec 2020
Bromsgrove NPIF Bridge Widening Phase 3 Sanders Park Link 9	Bridge widening and footpath widening to accommodate shared use	Completed 10-09-2020
Bromsgrove NPIF Oakalls PROW Widening Link 4 LCN23	PROW widening to accommodate shared use	Completed 20-08-2020
Redditch to Bromsgrove ATC	Creation of LCN 24 signing	Completed 27-10-2020
NCN46 Cycle Link – Fernhill Heath Worcester	Improvements to route – signing and lining	
Bromsgrove NPIF Pig alley footway widening Link 8 LCN2	450m of footway widening to 4.0m to accommodate shared use 3.0m path and new lighting	Completed 05-09-2019
Bromsgrove NPIF Sanders Park Phase 2 Link 9 LCN1 & NCN46	Footway widening to accommodate 3.0m shared use paths within the park	Completed 20-10-2019

Bromsgrove NPIF Crossing upgrade Link 9 LCN22 Hanover St/ Worcester Road	Hanover St Bromsgrove, upgrade of zebra crossing to pelican crossing to manage movement and enable shared use	Completed March 2020
Bromsgrove NPIF Crossing upgrade Link 9 LCN1 7 NCN46 Kidderminster Road	Kidderminster Rd upgrade crossing from pelican to toucan and introduce shared use paths on approach with new access into park.	Completed September 2019
Bromsgrove NPIF Crossing upgrades Link 1 NCN5	The upgrade and relocation of pelican crossing at Mill Lane, Bromsgrove (bus station) to better connect with shared use facilities introduced as part of the wider NPIF walking and cycling network	Completed 31-08-2020
Bromsgrove NPIF Crossing upgrade Link 1 LCN1 & NCN5 Market Street	The upgrade and relocation of a pelican crossing to a toucan crossing along Market St, Bromsgrove to offer better walking and cycle connectivity to the town centre	Completed 31-08-2020
Evesham Town Centre – 20 cycle stands	Introduce cycle stands in various locations across Evesham town centre	Complete
Bridge widening – Pig Alley, Bromsgrove (NPIF)	Bridge widening with localised footpath widening to accommodate shared use and link up with recently upgraded Pig Alley via NPIF funding	Complete
Old Road – Worcester	Surfacing improvements, connecting to Powick walk/cycle bridge	Complete
Abbey Lane Evesham	Resurfacing, signing and lining to accommodate shared use	Complete May 21
Cycle Parking Stands – Bromsgrove NPIF	Approx. 50 stands to be installed across NPIF network	Complete August 21
ATC – Wyre Rd	Planned component of a wider major scheme involves the provision of a separated, high quality active travel link along Wyre Road, which will link the large villages of Wyre Piddle and Pinvin to Pershore Secondary School, Pershore Station and the Keytec Business Park, with existing good quality onward connections to Pershore Town Centre and proposed onward	In construction

	connections to Evesham and westwards towards Worcestershire Parkway and Worcester	
Claphill Lane, Rushwick	Dropped kerbs with tactile paving lining new development	Complete July 21
Station Road, Honeybourne	Zebra Crossing to accommodate pedestrian movement f	Complete April 21
Leamington Rd, Broadway	Zebra Crossing to accommodate pedestrian movement for two first schools	Complete April 21
Malvern Link,	X6 dropped kerbs with tactile paving to accommodate pedestrian movement	Complete May 21
Malvern, Poolbrook	X 16 dropped kerbs with tactile paving to accommodate pedestrian movement	Complete May/June 21
Honeybourne to Pebworth and Bretforton	Cycle link between Honeybourne and Bretforton	Compete May 21

Upcoming cycle infrastructure 2021 - 2023

Scheme	Brief Description	Current status (feasibility, development, delivery, complete)	Notes
St Johns to Rushwick ATC	To deliver an ATC linking Rushwick to St Johns	In feasibility	
Slingpool Walk to St Johns, Worcester	Widening of Slingpool Walk and new cycle route linking St.Johns Worcester	Feasibility, possible 2022/23 delivery	
Upland Grove Park Bromsgrove Link	New Shared use cycle path between LCN1 and Norton Farm Development	Delivery 2022	
South Littleton to Blackminster	Creation of a shared use path, linking Blackminster Middle School	Delivery due Jan – Mar 2022	
NCN41 St Margarets Road - Evesham	Footway widening to accommodate shared use	In development	
NCN41 Honeysuckle Close - Evesham	Footway widening to accommodate shared use	In development	
ATC – Phase 1 Powick Hams to Powick (Hospital Lane)	Creation of a cycle link between Powick and Malvern (Newlands)	In feasibility	Awaiting bid outcome
ATC – Phase 2 Powick, Hospital Lane to Malvern, Newland	Creation of LTN1/20 compliant cycle link between Powick and Malvern	In feasibility	Awaiting bid outcome
ATC – Phase 1 Worcester to Ketch	Creation of a LTN1/20 compliant, cohesive cycle link between Diglis Bridge and Ketch	In feasibility	Awaiting bid outcome

ATC – Phase 2 Worcester to Ketch	Creation of a pedestrian only link between Ostier Close and Dace Road	In design	
ATC – Phase 3 Worcester to Ketch	Creation of an on road link between Dace Rd and Ketch roundabout	In feasibility	Awaiting bid outcome
ATC – Ketch to Kempsey	Creation of a cycle link between Kempsey and Worcester City	In feasibility	Awaiting bid outcome
ATC – Malvern to Three Counties	Creation of link between Peachfield Rd Malvern and Three Counties Showground – phase 1 of Malvern to Upton ATC	In feasibility	.
ATC – Three Counties to Upton	Phase 2 of Malvern to Upton cycle link, proposed alignment along the dismantled railway	In feasibility	
ATC – Bewdley to Wyre Forest	Proposed link to connect Bewdley Town Centre with Wyre Forest	In feasibility	
ATC – Diglis to Sixways	Scheme involves widening and resurfacing sections of this very popular active travel corridor and connecting links, which links the City Centre directly with the extensive business parks and commercial sites on the northern fringes of the city	In development	
ATC – Stourport to Kidderminster	Scheme involves widening and resurfacing sections of this travel corridor.	In development	
Arrow Valley Park, ATC links	To upgrade well used paths around Arrow Valley with extensive widening to accommodate shared use	In development	

Active Travel Revenue Schemes 2021/ 22

Scheme	Brief Description	Current status (feasibility, development, delivery, complete)	Notes
Evesham LCWIP	Active travel plan for Evesham	Draft document prepared, internal consultation complete. External consultation summer 2021	
Malvern LCWIP	Active Travel plan for Malvern	Feasibility	Awaiting bid outcome

Droitwich LCWIP	Active Travel plan for Droitwich	Feasibility	Awaiting bid outcome
Kidderminster LCWIP	Active Travel plan for Kidderminster	Feasibility	Awaiting bid outcome
Redditch LCWIP	Active Travel plan for Redditch	Feasibility	Awaiting bid outcome

Other schemes

Scheme	Brief Description	Current status (feasibility, development, delivery, complete)	Notes
Worcester Infrastructure Fund	Active travel proposals for Worcester including canal towpath surfacing, riverside route and north east Worcester (all from LTP4)	Business plans in development .	Partnership with Worcester City

CABINET
23 SEPTEMBER 2021**WORCESTERSHIRE BUS SERVICE IMPROVEMENT PLAN**
(BSIP)

Relevant Cabinet Members

Cllr A T Amos

Relevant Officers

Strategic Director of Economy and Infrastructure

Recommendation

1. The Cabinet Member with Responsibility for Highways and Transport recommends that Cabinet;

- (a) commits to development of a Bus Service Improvement Plan (BSIP), setting out a vision and priorities for the future of bus services in Worcestershire and will be a high-level bidding document used to secure capital and revenue grant funding from the Department for Transport (DfT);**
- (b) authorises the CMR to approve the Bus Service Improvement Plan and operational policies with appropriate development and consultation schedules before adoption having regard to the National Bus Strategy and Worcestershire Passenger Transport Strategy;**
- (c) Authorises the CMR to approve the Statutory Enhanced Partnership, following the creation of the Bus Service Improvement Plan;**
- (d) acknowledges the potential impact on other DfT funding opportunities (not public transport related), should it be decided not to develop an Enhanced Partnership; and**
- (e) acknowledges that Worcestershire County Council's Bus Services Improvement plan will be based on the previously agreed Worcestershire Passenger Strategy.**

Why these decisions are important

2. Creation of a Bus Service Improvement Plan and Enhanced Partnership would allow both the County Council and bus operators to benefit from increased levels of Government funding. If these are not created and implemented, the Government will not release funding.

3. If Worcestershire County Council does not commit to delivering a Bus Service Improvement Plan and Enhanced Partnership the Department for Transport will cease £0.55 million per annum in Bus Service Operators' Grant (BSOG) funding, which the

National Bus Strategy is clear would be lost in the absence of a Bus Service Improvement Plan and Enhanced Partnership following the planned reform of BSOG. Loss of this funding would require the withdrawal of circa 20% of our current supported network, leaving a significant number of rural areas without any bus service.

4. All new road investments in England which receive Central UK Government funding are now required to either support bus priority measures or explain why doing so would not be necessary or appropriate in that instance. All funding bids now need to explicitly address this issue. Non-publication of the BSIP could result in reduced Local Transport Plan (LTP) and other government grant funding.

Background

5. The Department for Transport (DfT) has recently published the National Bus Strategy (NBS) outlining its ambition to improve bus services in England. Worcestershire County Council, as the Local Transport Authority, has decided that it wishes to enter an Enhanced Partnership with Local Operators by the end of March 2022. This decision will have implications for the local bus network in Worcestershire, the majority of which is currently operated on a commercial basis.

6. Worcestershire has seen many changes to bus services over the years, reflecting the difficulties that operators have in identifying and maintaining profitable services. At times, competition between operators has undermined their financial stability. First Bus has gradually reduced its network and completely withdrawn from operating in some parts of the county. Other operators have ceased to operate altogether. Added to this the impact of the Covid Pandemic, this has had a significant impact on patronage. In summary, the local bus sector is more fragile than ever.

7. Congestion in urban areas, particularly Worcester and Kidderminster, has impacted on bus services, increasing the costs of operation or leading to reduced frequencies, which in turn have reduced the attractiveness of services.

National Bus Strategy

8. On 15 March 2021, the Government published its National Bus Strategy for England “Bus Back Better”, announcing £3b transformational funding for those authorities that engage in the Strategy.

9. Its central aim is to get more people travelling by bus. The first step is to get overall patronage back to its pre-COVID-19 level, and then to exceed it. The only way to achieve this is to make buses a practical and attractive alternative to the car for more people. To achieve the goal, the strategy will make buses more frequent, more reliable, easier to understand and to be better co-ordinated with the overall aim to increase patronage and reduce car usage.

10. The Strategy acknowledges the decades-long decline in bus patronage nationally and is the biggest change to Local Bus provision since deregulation in 1986.

11. “Bus Back Better” sets out a significant step change in the Government’s approach to funding and delivering the bus network. Whilst the market remains deregulated, a more co-ordinated partnership approach between operators and local authorities is now required. The Strategy makes clear that there is a commitment to long term increased

funding for bus services, both for local authorities and bus operators alike. However, access to funding streams is contingent on the Council having a Bus Service Improvement Plan (BSIP) and entering either an Enhanced Partnership (EP) or franchising arrangement to deliver the objectives set out in the BSIP.

12. There is an expectation that all Local Transport Authorities will create BSIPs and enter EPs/ Franchising. Central Government is providing transformational funding to achieve this. Worcestershire County Council has received £0.387 million capacity funding to move these elements forward.

13. Critically we must publish our BSIP by end of October 2021 and commence our EP by 1 April 2022 if we are to access the £3billion funds available to Local Authorities and for current funding streams to continue.

14. To secure capacity funding, on 30 June, Worcestershire County Council published its Notice of Intent to Prepare an Enhanced Partnership Plan and Schemes. An EP is a formal agreement between the local authority and bus operators setting out what is expected of each party, and the standards that will be met. The basis for an EP is set out in the Bus Services Act 2017 and associated guidance.

Bus Services Improvement Plan (BSIP)

15. Bus Service Improvement Plans (BSIPs) are how LTAs, working closely with their local bus operators and local communities, address the central aims of the National Bus Strategy – by setting out a vision for delivering the step-change in bus services that is required by the Strategy.

16. A Bus Service Improvement Plan will be the extent of the ambition, delivered through an Enhanced Partnership or franchising, that will be critical in terms of how funding is allocated to Local Authorities.

17. A Bus Service Improvement Plan would include the following elements:

- a) Targets for journey times and reliability, at both County and city/town level. A progress report is required every six months.
- b) Identify where bus priority measures are needed.
- c) Set out pressures on the road network including air quality and carbon reduction.
- d) Passenger growth targets
- e) Plans for a fare strategy to support growth, including multi operator ticketing.
- f) Impact of roadside infrastructure – stops, shelters, real time information displays
- g) How the bus network should serve key destinations such as schools, health, employment etc.
- h) Local consultation
- i) Commitment to a bus passenger charter.

18. A clear expectation is set that a BSIP should be bold and ambitious with the Government expecting areas to consider the following options:

- a) Implementation of bus priority schemes to reduce bus journey times.
- b) More services expected to operate evenings / weekends / night and to smaller towns/villages.
- c) Higher frequency core services.

- d) Promotion and marketing significantly expanded.
- e) Bus Stations should be protected from closure and redevelopment and improved.
- f) Railway stations should be hubs for connecting services – including high quality stops close to station entrances.
- g) Better services to out of town employment
- h) Working with bus operators and energy providers to decarbonise the local bus fleet.
- i) Fares' policy to include lower fares in cities / towns, consideration of youth fares, multi-operator ticketing

19. There is also an expectation that whether funding is provided or not Local Authorities must consider and deliver on requirements set out within the National Bus Strategy.

20. There is a wide evidence base to support the positive benefits that flow from investing in high quality, comprehensive bus services.

21. Some of the key facts include;

- a) Nationally, 2.5 million commuters rely on the bus to get to work with a further 1 million needing the bus as a backup mode. Together, this equates to 12% of the working population or £64 billion of gross value added.
- b) Bus passengers account for £27 billion per annum of shopping and leisure spend, with around £22 billion of this being in town centres.
- c) KPMG found that targeted investment in bus priority measures generated £3.32 of benefits for each £1 spent.
- d) A diesel bus at current average occupancy emits 105g CO₂ per head per km compared to 158g for a car. An electric bus can reduce this to 36g with no change to occupancy, or 18g if occupancy were doubled.

Enhanced Partnership

22. The National Bus Strategy requires LTAs to follow either a statutory Enhanced Partnership (EP) or franchising to deliver the specific actions which will enable Bus Service Improvement Plan outcomes.

23. Worcestershire County Council's Economy & Infrastructure Directorate's Leadership Team confirmed their approval on 29 June 2021 to proceed with the development of an Enhanced Partnership.

24. An EP is a statutory partnership between one or more LTAs and their local bus operators that sets out how they will work together to deliver outcomes in the defined geographical area(s) set out in the EP. It is in two parts:

- a) **An EP Plan** - a clear vision of the improvements to bus services that the EP is aiming to deliver, mirroring the Bus Service Improvement Plan.
- b) **One or more EP schemes** – an accompanying document that sets out the requirements that need to be met by local services that stop in the geographical area defined in the Enhanced Partnership Scheme.

Worcestershire Approach

25. Prior to the pandemic Worcestershire delivered its Passenger Transport Strategy (agreed by Cabinet in November 2019). This will translate into the various aims of the

BSIP and will make it easier for WCC to achieve the deadlines set by the Department for Transport. Worcestershire is using the work carried out to deliver its Passenger Transport Strategy as the basis of its Bus Services improvement plan.

26. The Worcestershire Passenger Transport Strategy took a strategic and holistic view of all public and Community Transport provision, including Home to School transport arrangements, fares and ticketing, concessionary travel, infrastructure and information. The Strategy is informed by a Passenger Transport Review of needs and demands (including future development), together with an assessment of how well these are met by current services. This fits into the requirements for the creation of BSIP.

27. WCC Passenger Transport Strategy seeks to deliver the following outcomes:

- a) provision of a network which offers access to key services (rural and urban)
- b) a sustainable passenger transport network
- c) a robust procedure for deciding where, when and how we financially support services
- d) implementation of relevant parts of the Bus Services Act 2017 which will benefit Worcestershire's residents

28. WCC Passenger Transport Strategy includes the following strategic aims:

- a) **network commercialisation**: Worcestershire County Council is committed to developing and enhancing the ability for operators to provide their services commercially (without financial support from the County Council)
- b) **access to services**: Worcestershire County Council's aim is to provide good network coverage, operating times, frequency of the service and network integration; however, we also need to achieve best value
- c) **attractive and affordable services**: it is essential that transport services' costs are competitive; technology will play a key role in achieving this aim
- d) **quality of service**: Worcestershire County Council recognises that quality of service is essential in delivering successful passenger transport services
- e) **publicity and information**: the Worcestershire Passenger Transport Strategy ensures information about services is readily available and is easily understood, while balancing this with the cost effectiveness of production

29. The Strategy also includes the following more detailed objectives which support achievement of the strategic aims:

- a) **home to school and social care transport**: this objective will provide an opportunity to review current provision and enhance integration where appropriate
- b) **network prioritisation**: this objective focuses on where Worcestershire County Council will prioritise resources and ensure best value; this also places emphasis on the commercialisation of the network
- c) **Performance Management Framework Model**: performance of services is essential in terms of achieving best value with funding available and it is recognised that new ways of thinking are required: this enables services to be ranked for both existing and future service provision; the prioritisation of customer journeys formed an important part of the consultation
- d) **alternative service provision**: this objective considers other services which can complement the network
- e) **fares and ticketing**: this objective looks at ticketing options which allows passengers to undertake their journey using more than one form of transport: this will take account of available new technology

- f) **information and infrastructure:** this objective ensures information is provided in the most appropriate way and considers the requirements of the Bus Services Act (2017). We will also look at appropriate levels of infrastructure provision (e.g. Bus shelters) across the network
- g) **modal integration:** this objective focuses on the need to consider all methods of passenger transport to achieve improved integration; this includes consideration of accessibility of services and cost-effective passenger transport options

30. Critically, the core aims and objectives fit into the overall expectations set out by the Government for BSIPs. Targets will be set for each of these and will cover any missing areas that have been outlined as requirements for the initial BSIP document.

Legal, Financial and HR Implications

31. We note the following legal implications:

- a) Development of Enhanced Partnerships are governed by Bus Services Act 2017, which amended the Transport Act 2000. Under an EP, the Council is legally obliged to deliver those measures it commits to.
- b) Multi Operator Ticketing Schemes are governed by the Competition Act 1998 (Public Transport Ticketing Schemes Block Exemption) Order 2001 (as amended) and the Transport Act 2000.
- c) Traffic Management Act 2004 - Statutory traffic management guidance will be updated to “expect enhanced bus reliability as an integral part of the highway authorities’ Network Management Duty”.

32. The National Bus Strategy sets out that bus operators would see their access to BSOG placed at risk unless they are part of an EP. It is stated in the NBS that the Secretary of State would only disapply these rules on “an exceptional basis”. This will have a significant impact on the current ‘commercial’ bus network in Worcestershire, which would be reduced to a core lower frequency network. Commercial BSOG within Worcestershire is worth several million pounds per annum in support for the network and the Council received £0.55 million directly in support of this.

33. Staffing resource will be required across several key teams to support the development and implementation of our BSIP / EP. The DfT have provided us with Capacity Grant funding of £0.387million towards the development costs of the BSIP and EP.

34. In view of the Bus Capacity Grant being made available, it is not envisaged that there will be any pressure on existing Council budgets associated with developing the BSIP or Enhanced Partnership.

Governance and Timeline

35. The timescales set by Government to develop and deliver the Council’s first BSIP by the end of October 2021 and activate the Enhanced Partnership by April 2022 are non-negotiable if we are to secure future funding and not reduce current funding streams.

36. The key milestones are:

- a) **June 2021** – Council published Notice of Intent to proceed with the development of an Enhanced Partnership

- b) **July 2021** – Gap Analysis of current Passenger Transport Strategy and National Bus Strategy requirements
- c) **August 2021** Informal stakeholder engagement round, data gathering and network baselining
- d) **September 2021** – Draft BSIP creation draft BSIP and full stakeholder engagement round 3
- e) **October 2021** – Publish first BSIP and EP formal discussion and notice
- f) **November 2021** – EP Statutory consultation
- g) **December 2021** – Finalise EP
- h) **January 2022** – Second EP formal notice (if required)
- i) **March 2022** – Formal making of the EP
- j) **April 2022** – Activate EP

Equality and Diversity Implications

37. The Council recognises that the Bus Services Improvement Plan is of relevance in the lives of individuals who share Protected Characteristics such as Age and Disability. The aims of the Public Sector Equality Duty (Advancing Equality of Opportunity for Protected Groups) are promoted through the provision of accessible and reliable public transport which forms a critical element of BSIPS. WCC Passenger Transport Strategy recognises the importance of public transport in the lives of protected groups and sets out the Council’s approach to the delivery of efficient and integrated public transport which aligns with National Bus Strategy requirements.

38. WCC Passenger Strategy has been screened for a potential Equality and Public Health Impact Assessment which has indicated there is no adverse effect at this stage. Further assessments will be undertaken at the appropriate stages of the implementation process as BSIP funding is made available. The implementation of a Strategy which promotes consistent and transparent decision-making and planning is likely to benefit protected Groups.

39. All analysis will accord with data protection requirements. Additionally, any detriment to services that have potential to impact on Equality will also be assessed. As part of the implementation of the Strategy, the findings will be considered in future planning and decision-making.

Risk Evaluation

40. A comprehensive risk assessment has been carried out by the members of the Transport Strategy Board to identify the short, medium, and long-term risks. Production of a holistic Risk Register has enabled a thorough planning and mitigation process

Public Health Impact

41. Improving health and well-being through improving accessibility, reducing social isolation, and supporting people to maintain independent lives will be outcomes of the BSIP.

42. A Public Health Impact screening exercise has been carried out for the previous passenger strategy and will be updated throughout the implementation process.

List of Background Documents

- “Bus Back Better – National Bus Strategy for England” – <https://www.gov.uk/government/publications/bus-back-better>
- “The Bus Services Act 2017: Enhanced Partnerships Guidance” - <https://www.gov.uk/government/publications/bus-services-act-2017-enhanced-partnership-creation>
- Worcestershire Passenger Transport Strategy - <https://www.worcestershire.gov.uk/passengertransportstrategy>

Contact Points

County Council Contact Points

County Council: 01905 763763

Specific Contact Points for this report

Paul Smith, Transport Operations Manager

Tel: 01905 822091

Email: pdsmith@worcestershire.gov.uk

CABINET
23 SEPTEMBER 2021**THE ESTABLISHMENT OF A CHARITABLE BODY TO SUPPORT
MUSEUM FUNDRAISING**

Relevant Cabinet Member
Councillor M Dormer

Relevant Chief Officer
Strategic Director for People

Recommendation

1. **The Cabinet Member with Responsibility for Communities recommends that Cabinet:**
 - a) **Authorises the Council's involvement in the establishment of a charitable body that would support fundraising for the City and County museums;**
 - b) **Delegates authority to the Strategic Director of People in consultation with the Cabinet Member with Responsibility for Communities, to enter into all necessary legal agreements to establish the charitable body.**

Background

2. At their meeting on 18 June, the Joint Museums Committee approved in principle the setup this year of a charitable body to support fundraising for the City and County museums.
3. This charitable body will enable the museums to apply for a wider range of grants towards projects and future development and will create a more tax-advantageous vehicle for individual's donations.
4. The charity will be overseen by a board of trustees who will be advocates for the museums' development in the local community and to grant-giving foundations. They will have a scrutiny role ensuring funding is spent as intended.
5. The establishment of the new charity is not intended to change the way the joint museums service is governed by the Joint Museums Committee or managed operationally.
6. If approved, a joint working party will be formed to review the proposed objects and terms to establish the charity. Worcester City Council is procuring external specialist advice to support this work.
7. The reporting arrangements between the new charity trustees and the Joint Museums Committee will be considered by the joint working party, taking specialist advice.

8. There may also be future opportunities to review the museum's business rates position via charitable trust status, although this would require additional governance changes for the County's museum.
9. Any changes proposed to the Joint Museums Agreement (made in 2010) would return as a Cabinet decision.

Legal, Financial and HR Implications

10. The charitable body will grant-fund the City and the County Council to undertake projects and development, expenditure will continue through existing processes. The working group will propose a policy and process for grant decisions and transfers to be adopted by the charity's trustees.
11. Best-practice models in operation elsewhere have been consulted to inform this proposal. Funding to engage specialist legal advice on the set up has been set aside from museum reserves.

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

12. A joint impact assessment screening will be carried out by the working party and any recommendations will be integrated into their work programme.

Supporting Information

[Worcester City Council Policy & Resources Committee report \(agenda point 10\)](#)
[Joint Museums Committee report \(agenda point 10\)](#)

Contact Points

County Council Contact Points
County Council 01905 763763

Specific Contact Points for this report
Name: Hannah Perrott, Assistant Director: Communities
Tel: 01905 843658
Email: hperrott@worcestershire.gov.uk

Name: Philippa Tinsley, Museums Manager
Tel: 01905 25371
Email: Philippa.tinsley@worcester.gov.uk

Background Papers

In the opinion of the proper officer (in this case the Strategic Director for People) there are no background papers in support of this report.

CABINET
23 SEPTEMBER 2021**ADULT SOCIAL CARE – ANNUAL LOCAL ACCOUNT**

Relevant Cabinet Member
Councillor Adrian Hardman

Relevant Chief Officer
Strategic Director for People

Recommendation

1. The Cabinet Member with Responsibility for Adult Social Care recommends that Cabinet endorse the improvements Adult Social Care have made in 2019/2020.

Background

2. Adult Social Care is required to publish an annual Local Account. The account is a summary of activity, setting out our priorities, showing how we've improved, where we need to do better and most importantly, includes feedback from people who use our services. This promotes transparency, scrutiny and accountability to adult social care service users and the public, as recipients and funders of public sector services and is published. The report covers the last financial year, states how the council has performed as a provider and commissioner. It includes future developments within the wider People Directorate and People Strategy that support positive outcomes for users of adult social care.

3. The report highlights the development of services such as Here to Help, how we have successfully supported residents and existing service users through the challenges of the pandemic, significant investment in reablement to promote people's independence and our commitment to working with our health colleagues to promote timely, safe discharge from hospital to a person's usual place of residence, despite the challenges of Covid. We continue to be ambitious in our approach to independence, aligning to the health and wellbeing priority within the Corporate Plan and meeting the statutory duties set out in existing legislation and planning for future legislative changes.

Legal, Financial and HR Implications

4. N/A

Risk Implications

5. N/A

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

6. N/A

Supporting Information

Appendix: Adult Social Care Annual Account 2019-20

Contact Points

County Council Contact Points

County Council: 01905 763763

Specific Contact Points for this report

Kerry McCrossan - Assistant Director Adult Social Care

Tel: 01905 845273

Email: kmccrossan@worcestershire.gov.uk

Background Papers

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

CABINET
23 SEPTEMBER 2021**RESOURCES REPORT – REVENUE BUDGET MONITORING -
MONTH 4 (31 JULY) 2021/22**

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 2021;**
 - (b) **approves that the underspend on treasury costs set out at paragraph 42 totalling £5 million is transferred to the Financial Risk Reserve**
 - (c) **notes the financial impact and forecast for COVID-19 expenditure;**
 - (d) **notes the current progress regarding savings plans approved by Council in February 2021; and**
 - (e) **notes the report on borrowing and lending transactions during 2020/21 detailed in paragraphs 55-56 and Appendix 7.**

Introduction

2. This report details the 2021/22 outturn forecast for the Council's £355 million net revenue budget as at Month 4 (31 July 2021), the estimated financial impact of COVID-19 and progress to date on the savings and reforms programme.
3. The Council is forecasting a £1 million cost pressure whilst achieving savings of over £10.5 million in year.
4. In addition to this, the Council is managing around £36 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. Costs are broadly in line with the additional funding allocated by Central Government. Looking forward, the Council will be refreshing it's Medium Term Financial Plan noting the continual need to invest in the priorities that support vulnerable children and adults, ensuring road and infrastructure improvements support strong economic growth for the county area whilst acknowledging the financial risks on our income as we continue to recover from the effects of the pandemic.
5. This report also notes the latest position with regard to the Dedicated Schools Grant (DSG) High Needs Block.
6. An update on the latest borrowing and lending transactions are also reported.

Summary Revenue Budget Monitoring 2021/22 Forecast at Month 4 (31 July 2021)

7. The County Council's net budget of £355 million was set by Full Council in February 2021.
8. This report covers the forecast financial position for 2021/22 to the end of Month 4 (31 July 2021).
9. The overall outturn forecast, as set out in Table 1, at Month 4 is for a net overspend of £1 million.

Table 1: 2021/22 Month 4 Forecast

Service area	Budget £m	Forecast £m	Variance £m
People – Adults	133.887	133.869	-0.018
People – Communities	20.131	20.223	0.092
People – Public Health	-2.389	-2.401	-0.012
Children's Services/WCF	106.717	106.717	0.000
Economy & Infrastructure	55.349	55.418	0.069
Commercial & Change	7.496	7.445	-0.051
Chief Executive	1.200	1.106	-0.094
Total: Service excl DSG	322.391	322.377	-0.014
Finance/Corporate Items	34.642	34.198	-0.444
Non-assigned items	-1.500	0.000	1.500
TOTAL	355.534	356.575	1.042

10. The above table shows a net £14k underspend on services, a £0.444 million underspend on corporate areas as a result of no commitments allocated against the corporate contingency budget, and a £1.5 million overspend as a result of pausing the Organisational Redesign project during the pandemic.

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

Key Assumptions

12. The following key assumptions are made in the forecast this year.
 - COVID-19 expenditure is contained within the grant monies provided by Central Government
 - Qualifying expenditure that supports hospital discharges will be fully reimbursed via CCG's from Department of Health
13. Central Government has continued to issue grants to local authorities for cost pressures incurred in the new financial year in response to COVID-19. At the end of last financial year unspent COMF monies of £13.7 million were carried forward to 2021/22, and we have received a further £21.8 million to date bringing the total additional grants to £35.5 million.

Table 2: 2021/22 COVID-19 Grant Funding Available

Grants for 2021/22	£m
2021/22 General Grant	11.4
2021/22 CCG forecast	3.2
2021/22 COMF	2.9
2021/22 Transport	0.3
2021/22 Self Isolation	0.5
2021/22 Winter grant	2.4
2021/22 Holiday Activities & Food	1.4
General Grant used in 19/20	-0.3
Sub Total	21.8
Add unspent COMF Brought Forward from 2020/21	13.7
TOTAL	35.5

14. This funding will enable the Council to continue its response and it is forecast all these funds will be utilised this financial year.

15. Forecast commentary on the more significant 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 £151.6m, £0.06m overspend

16. The People Directorate, comprising Adult Social Care, Communities and Public Health, is forecasting to spend it's £151.6 million budget with a relatively small £0.06 million overspend forecast.

17. This forecast assumes the Council will continue to receive funding from the CCG for the Hospital Discharge Programme, and that broadly demographic and cost pressures can be managed from within existing budget limits. The more significant variations are as follows:

People Services (Adult Social Care) Budget £133.9m, £18k underspend

18. The Adult Social Care budget is forecast to break even overall, with variances from budget as follows:

- Lower than expected demographic increases resulting in underspend forecasts for Older People services (£0.8 million) and Physical Disabilities (£0.3 million).
- £2.1 million overspend in respect of Learning Disability services due to higher than expected placement costs and a reduce in income levels.
- £1.4 million underspend in Support Services due mainly to a one-off recovery of direct payments and an assumption that a £0.5 million staffing and placements contingency will be spent and contributions to the CCG will be in line with previous years.

People Services (Communities) Budget £20.1m, £0.092m overspend

19. The forecast overspend includes the following managed risks:

- An overspend pressure due to income generation pressure within the Archives and Archaeology service.
- Provider Services is forecast to break even, however there are a number of service changes that need to be financially appraised and brought into the forecast later in the year when the work is progressed.

People Services (Public Health) includes £31.7m Public Health Grant Income and related expenditure. Other services a net -£2.4m, £0.12m underspend

20. The ring-fenced Public Health Grant is forecast to break even for 2021/22 after allowing for £2.171 million (P3 £1.4 million) to be transferred into reserves.

21. The underlying position on the Public Health Ring Fenced Grant is due to prudent use of other non-recurrent grants during the year. £1 million staffing costs can be covered by the Contain Outbreak Management Fund (COMF) and £0.4 million of the Domestic Abuse contract expenditure can be funded from this year's New Burdens grants. The net impact is we can preserve more money in the public health reserve for future allocations.

Education / WCF (excl. DSG) - Budget £106.7m, £1.2m overspend

22. The WCF forecast is presented alongside services that remain within WCC. In total these services are forecasting an overspend of £1.2 million at Month 4.

Table 3: Children's Services / WCF

Period 4	Budget	Forecast	Variance	
	£m	£m	£m	
Children's Services	106.717	106.717	0.000	Council
WCF			1.164	WCF
			1.164	

23. The Children's Services budget is forecasting an a break-even at P4.

24. The WCF forecast position of a £1.164 million deficit (less than 1% of the WCF budget) mainly relates to increased demographic pressures in Placements for Looked After Children.

25. The pressure in the social care budget remains due to an increased number of external placements since April 2020 which is consistent across the country where other local authorities are experiencing significant increases in costs for placements and overspends greater than Worcestershire. There has been a Covid-19 impact on our ability to move children and young people onto permanent arrangements which has contributed to increased costs, however the primary increase is due to the rising cost of residential and external foster care provision.

26. The overspend is being partially offset by other underspends across the Social Care service e.g. turnover, vacant posts, or where there are active efforts to reduce non-staffing spend. This is not a sustainable option as this the savings in staffing are a one-off short-term solution.

27. The current DSG position is a forecast overspend of £6.3 million against a total budget of £224 million. The overspend is exclusively within the High Needs block of the DSG and this together with a £3.2 million estimated catch up on School and Early Year Blocks will increase the overall DSG deficit brought forward from 2020/21 of £6.5 million to £15.9 million at the end of the year.

28. A high needs recovery plan is in place and this has been discussed at the Schools Forum and with Special School Heads. An update will be provided through WCF in the late summer.

Worcestershire Children First (WCF) £1.164m deficit

29. Worcestershire Children First (WCF) is forecasting a deficit of £1.164 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.

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

- £1.6 million overspend in Children's Placements and Provision (£1.2 million at P3) which takes into account an 8% increase in placements over the remaining months of the financial year.
- £0.4 million underspend in other Social Care Services (including £0.1 million overspend in Safeguarding Services, £0.2 million underspend in Targeted Family Support and £0.2 million underspend in Family Front Door), due to increased forecast in Retention Payments and staffing underspends.
- £0.2 million underspend in Resources due to holding staffing vacancies and prudently managing expenditure.

Economy & Infrastructure (E&I) – Budget £55.3m, £0.07m overspend

31. The Economy and Infrastructure Directorate is forecasting to overspend its £55.3 million budget by £0.07 million.

32. The most significant variance from budget is a £4.5 million overspend for Waste Services. This comprises £3.8 million savings target not achievable this year, additional tonnage costs of £0.8 million less a £0.1 million reduction in business rates forecast. It is anticipated that the net overspend will be funded by a transfer from the Waste PFI reserve.

33. The directorate is forecasting to underachieve its £2.2 million capitalisation target by a small margin (£58k). This will continue to be closely monitored by tracking progress on individual capital schemes to assess if this shortfall can be mitigated.

34. There are a number of other small pressures relating to reduction in levels of income partly due to COVID-19 and work is underway to monitor this and establish mitigating action to ensure budget pressures can be contained.

Commercial and Commissioning – Budget £7.5m, £0.5m underspend

35. The Commercial and Commissioning Directorate is forecasting to underspend its £7.5 million budget by £0.051 million.

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

- £44k overspend in Property Services due to unbudgeted software costs for TF Cloud.
- £67k underspend in Legal and Democratic Services due to reduced supplies and services expenditure

37. Property services are forecasting their £0.4 million savings target as AMBER risk and this position is being closely monitored.

Chief Executive/HR – Budget £1.2m, £0.1m underspend

38. The Chief Executive/HR function is forecasting to underspend its £1.2 million budget by £0.094 million.

39. The most significant variances from budget are a £40k underspend on HR core services and a £46k underspend on Content and Communications.

Finance / Corporate / Non-assigned Budget £34.6 million, underspend £0.444 million underspend

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

41. The £34.6 million budget for Finance / Corporate Items is forecast to underspend in total by £0.444 million.

42. Within this forecast there are a number of significant variances:

- £3.9 million underspend in Financing Transactions Borrowing Costs. An initial forecast for the deferment of borrowing on the assumption that cash balances are stronger than predicted due in part to the COVID-19 grant carry forward and the amount of grant fund received ahead of spending. There is no significant forecast for rises in borrowing interest rates.
- £1.1 million underspend of MRP budget following implementation of Council's existing MRP policy.

It is proposed that the above two underspends which total £5 million will be transferred to the Financial Risk Reserve

- £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.

Savings programme Update

43. The savings target for 2021/22 is £12.2 million. £7.1 million was identified as part of the 2021/22 Budget Setting Process and £5.1 million was brought forward from last financial year:-

Table 4: Savings Forecast as at Month 4 2021/22

Service Area	Target £m	F'cast £m	Var £m	Detail
People	0.000	0.000	0.000	Social care and communities will seek to manage demand and costs within their increased cash limit.
WCF	2.950	2.950	0.000	A review of back office posts and vacancies is forecast to yield £0.650m. Ongoing consultations with staff to be carried out in accordance with our HR policies; The in-sourcing of school improvement has enabled us to grow our traded element and we forecast to seek an additional £0.6m in 2021/22. Finally, a range of service reviews have begun to seek efficiencies, and this will focus on removing £1.75m.
E&I	2.200	2.142	0.058	Capitalisation of staffing costs across a range of service areas along with other income generation opportunities.
E&I (b/fwd)	0.030	0.030	0.000	County Enterprises efficiencies
E&I (b/fwd)	0.830	0.830	0.000	Review of management structures
E&I (b/fwd)	0.500	0.434	0.066	LEAN systems reviews
E&I (b/fwd)	3.800	3.800	0.000	Waste Services
Commercial and Change	0.400	0.400	0.000	There is an ongoing review of property charges and costs following both COVID and the in-sourcing of PPL that expects to save £0.4m.
Corporate	1.500	0.000	1.500	This is a continuation of the Organisational Redesign target set in 2020/21 following work supported by external advisors to change the way we work and review structures and posts. This has been deferred due to work responding to the pandemic, however alternative plans are being reviewed to address this shortfall by year end.
Total	12.210	10.586	1.624	

44. The above table shows that £1.624 million of savings are not forecast to be achieved this year. In addition to this, the £3.8 million saving for Waste Services will not be achieved this year through contract management and instead it is forecast this will be funded by a transfer from the Waste PFI reserve.

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

46. Alternative proposals are being assessed by officers and every effort made to address this shortfall, further update will be provided in the next Cabinet update.

Schools in financial difficulty

47. The table below shows the latest summary forecast position for Schools to 31 March 2022.

Table 5: Schools 2021/22 Forecast Position - Summary

-£6.8m	30 Schools in Surplus
£11.3m	91 Schools in Deficit
£4.5m	Net Deficit

48. The net forecast position may deteriorate if schools convert to academy status in 2021/22. Schools with a forecast surplus will transfer these balances on conversion; where schools with a forecast deficit convert to academy status, the deficit will remain with the Council. The maximum risk remaining if deficit balance schools convert is £11.3 million.

49. Cabinet earlier this year approved a new Earmarked Reserve for Education and High Needs with £2.4 million set aside for adverse financial changes which fall to the County Council to resolve after exhausting support from the Department for Education.

50. The Schools Finance Team continue to support and challenge the schools with deficit budgets against their agreed recovery plans. However, it is anticipated that there will be a requirement for some schools to attend a Schools Causing Concern meeting to review progress to date.

Medium Term Financial Planning

51. Whilst the County Council's Medium Term Financial Plan (MTFP) was approved by Full Council in February 2021, this was during 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.

52. The Council continues to manage the residual local impact of COVID-19 whilst maintaining service delivery. 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 available to the Council.

53. 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.

54. 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 2022/23 Budget Cycle. The main areas include the level of income expected to be collected and the impact on future demand and inflation.

55. It is nevertheless anticipated that we will present a draft budget in December 2021 for public consultation whilst also revising our Corporate Plan outlines priority investment in services.

Borrowing and Lending Transactions 2020/21

56. 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 7.

57. The key highlights of this report are:-

- The Council's treasury activities were managed successfully within the approved Prudential Indicator limits.
- The Base Rate remained at 0.10% for the entirety of the Financial Year.
- Investments were 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.
- £21.3 million of existing loans have been repaid during the year.
- New loans of £70 million have been taken out during 2020/21 at an average rate of 1.49%. This was a planned activity to manage the working capital implications of pre-paying pensions contributions to achieve savings.
- Total long-term debt outstanding is within plan and stood at £522.7 million at 31 March 2021 at an average rate of 3.27% (3.33% for 2019/20).

Legal Implications

58. 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

59. 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.

60. 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.

61. 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.

62. 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

63. 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.

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

Equality Duty Considerations

65. 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

66. The Cabinet report includes recommendations regarding the Council's forecast financial position for 2021/22 and the carry forward of earmarked reserves and unspent grants.

67. 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

68. 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.

69. 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.

70. 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.

71. 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 2021
- **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** - Borrowing and Lending Transactions 2020/21

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

P04 Outturn Forecast - 2021/22 Revenue Budget Monitoring Forecast by Service					One Off / Adjustments				
Service	2021/22 Gross Budget	2021/22 Net Budget	2021/22 Forecast Excluding One-off Adjustments	21/22 Draft Variance Before Adj's	Transfer to Capital	Proposed Additional Use of Reserves / C fwd Grants	Proposed C/Fwds	Variance After Adj's	Variance After Adj's
	£000	£000	£000	£000	£000	£000	£000	£000	%
DSG - School Formula Budgets	124,528	124,528	124,528	0	0	0		0	0.0%
DSG - High Needs Pupils	59,275	59,275	65,476	6,201	0	0	(6,201)	0	0.0%
DSG - Early Years	36,476	36,476	36,476	0	0	0		0	0.0%
DSG - Statutory Duties / Historic Commitments	3,377	3,377	3,424	47	0	0	(47)	0	0.0%
DSG - Other School Grants	15,177	0	0	(0)	0	0		(0)	-100%
DSG - Dedicated Schools Grant	7,320	(223,656)	(223,656)	0	0	0		0	0.0%
Total Dedicated Schools Grant (DSG)	246,153	0	6,248	6,248	0	0	(6,248)	0	
WCF Contract	124,875	106,717	106,717	0	0	0		0	0.0%
Total WCF (Excl DSG)	124,875	106,717	106,717	0	0	0	0	0	0.0%
Business, Administration & Systems	950	221	302	81	(81)			0	0.0%
Strategic Land & Economy	5,145	819	1,194	375	(156)	(159)		60	7.4%
Waste management	48,769	28,261	39,303	11,042		(11,042)		0	0.0%
Infrastructure & Assets	1,769	1,492	1,595	103	(83)			20	1.3%
Major Projects	5,691	5,691	6,617	926	(1,032)	(155)		(261)	-4.6%
Development Management	2,958	166	166	0				0	0.0%
Operations, Highways and PROW	9,101	6,741	8,746	2,005	(2,004)			1	0.0%
Transport Operations	16,926	10,636	10,815	179	(60)	(126)		(7)	-0.1%
Planning & Regulation	1,934	640	1,599	959	(427)	(278)		254	39.7%
Network Control	3,592	683	779	96	(96)			0	0.0%

P04 Outturn Forecast - 2021/22 Revenue Budget Monitoring Forecast by Service					One Off / Adjustments				
Service	2021/22 Gross Budget	2021/22 Net Budget	2021/22 Forecast Excluding One-off Adjustments	21/22 Draft Variance Before Adj's	Transfer to Capital	Proposed Additional Use of Reserves / C fwd Grants	Proposed C/Fwds	Variance After Adj's	Variance After Adj's
	£000	£000	£000	£000	£000	£000	£000	£000	%
Economy & Infrastructure	96,834	55,349	71,116	15,767	(3,939)	(11,760)	0	69	0.1%
COACH - Management	580	222	219	(3)				(3)	-1.4%
Legal and Democratic Services	8,205	5,168	5,496	328		(395)		(67)	-1.3%
Commercial, Management Information & Research	3,470	1,008	1,229	221		(253)		(32)	-3.2%
Property Services	6,333	359	511	152	(188)		79	43	12.1%
Digital, IT and Customer Services	9,507	738	1,260	522	(295)	(219)		8	1.1%
Transformation & Change Team	1,272	0	965	965	(965)			0	0.0%
Total Commercial and Change	29,366	7,495	9,680	2,185	(1,448)	(867)	79	(51)	-0.7%
Engagement & Communications	1,244	364	324	(40)		(6)		(46)	-12.6%
Health & Safety	353	19	19	0		(1)		(1)	-5.3%
HR - Core	4,095	402	391	(11)		(29)		(40)	-9.9%
Chief Executive	421	416	408	(8)				(8)	-1.8%
Total Chief Executive	6,112	1,200	1,142	(58)	0	(36)	0	(94)	-7.9%
Adults Commissioning Unit	14,259	2,304	2,174	(130)				(130)	-5.6%
Learning Disabilities	72,508	60,331	63,149	2,818				2,818	4.7%
Mental Health	28,149	18,297	18,082	(215)				(215)	-1.2%
Older People	102,333	66,308	65,936	(372)	(440)			(812)	-1.2%
Physical Disabilities	19,586	15,430	15,174	(256)				(256)	-1.7%
Support Services	538	(17,930)	(19,353)	(1,423)				(1,423)	7.9%
Future Fit	1,144	(10,853)	(10,853)	(0)				(0)	0.0%
Total People - Adult Services	238,518	133,887	134,309	422	(440)	0	0	(18)	0.0%
Adult Provider Services	16,268	9,210	9,210	0				0	0.0%
Strategic Libraries	12,617	4,268	4,268	(0)				(0)	0.0%

P04 Outturn Forecast - 2021/22 Revenue Budget Monitoring Forecast by Service					One Off / Adjustments				
Service	2021/22 Gross Budget	2021/22 Net Budget	2021/22 Forecast Excluding One-off Adjustments	21/22 Draft Variance Before Adj's	Transfer to Capital	Proposed Additional Use of Reserves / C fwd Grants	Proposed C/Fwds	Variance After Adj's	Variance After Adj's
	£000	£000	£000	£000	£000	£000	£000	£000	%
Museum Services	777	657	656	(1)				(1)	-0.2%
Archives and Archaeology	3,649	1,514	1,609	95				95	6.2%
Countryside Greenspace	1,796	151	151	0				0	0.0%
Gypsy Service		(112)	(112)	0				0	0.0%
Road Safety Team		156	156	0				0	0.0%
MHAONB		1	1	0				0	0.0%
Community Services Leadership Team	207	207	205	(2)				(2)	-1.1%
Skills & Inv incAdult learning	2,103	430	430	(0)				(0)	-0.1%
Severn Arts Music	0	0	0	0				0	0.0%
SENDIASS	191	52	52	(0)				(0)	0.0%
Chs Comm & Ptnership	354	354	354	(0)				(0)	-0.1%
Historic Chs	11,679	407	407	0				0	0.0%
Childrens S75	2,361	1,954	1,955	1				1	0.0%
Education Statutory	43	(0)	0	0				0	-100.0%
Registration & Coroner	2,212	881	881	0				0	0.1%
Total People - Communities	54,258	20,131	20,223	92	0	0	0	92	0.5%
Public Analyst	69	2	2	(0)				(0)	-0.1%
Trading Standards	871	122	110	(12)				(12)	-9.6%
Non PHRFG activities	1,093	(2,513)	(2,513)	0				0	0.0%
Public Health Grant Funded Services	31,720	(0)		0				0	-100.0%
People - Public Health	33,753	(2,389)	(2,401)	(12)	0	0	0	(12)	0.5%
Total : Services (Excl DSG)	583,716	322,390	340,786	18,396	(5,827)	(12,663)	79	(14)	0.0%

P04 Outturn Forecast - 2021/22 Revenue Budget Monitoring Forecast by Service					One Off / Adjustments				
Service	2021/22 Gross Budget	2021/22 Net Budget	2021/22 Forecast Excluding One-off Adjustments	21/22 Draft Variance Before Adj's	Transfer to Capital	Proposed Additional Use of Reserves / C fwd Grants	Proposed C/Fwds	Variance After Adj's	Variance After Adj's
	£000	£000	£000	£000	£000	£000	£000	£000	%
Financial Services	5,692	1,536	1,536	0	0	0		0	0.0%
Financing Transactions (Borrowing and Investments)	18,075	17,678	13,800	(3,878)	0	0	3,878	(0)	0.0%
MRP	11,098	11,098	10,000	(1,098)	0	0	1,098	0	0.0%
Contributions and Precepts	267	267	267	0	0	0		0	0.0%
Pension Fund Backfunding Liabilities	4,464	4,464	4,464	0	0	0		0	0.0%
Miscellaneous Whole Organisation Services	924	668	668	0	0	0		0	0.0%
New Homes Bonus Grant Income	0	(1,513)	(1,513)	0	0	0		0	0.0%
COVID-19	0	0	0	0	0	0		0	0.0%
Whole Organisation - Contingency	444	444	0	(444)	0	0		(444)	-100.0%
Finance / Corporate Items	40,964	34,642	29,222	(5,420)	0	0	4,976	(444)	-1.3%
Organisation Review	(1,500)	(1,500)	0	1,500	0	0		1,500	-100.0%
Other General Covid-19 Pressures	0	0	0	0	0	0		0	0.0%
Commercial Savings	0			0	0	0		0	
Financial Risk Reserve	0			0	0	0		0	
Non-Assigned Items	(1,500)	(1,500)	0	1,500	0	0	0	1,500	100.0%
Funding - Transfer To/(From) Reserves	(3,000)	(3,000)	(3,000)	0	0			0	0.0%
Total (Excl DSG)	620,181	352,533	367,008	14,475	(5,827)	(12,663)	5,055	1,041	0.3%
Council Tax	(285,197)	(285,197)	(285,197)	0				0	0.0%
Collection Fund (Surplus) / Deficit	(1,129)	(1,129)	(1,129)	0				0	0.0%
Business Rates Reserve	0	0	0	0				0	0.0%
Business Rates Retention Scheme	(66,206)	(66,206)	(66,206)	0				0	0.0%

P04 Outturn Forecast - 2021/22 Revenue Budget Monitoring Forecast by Service					One Off / Adjustments				
Service	2021/22 Gross Budget	2021/22 Net Budget	2021/22 Forecast Excluding One-off Adjustments	21/22 Draft Variance Before Adj's	Transfer to Capital	Proposed Additional Use of Reserves / C fwd Grants	Proposed C/Fwds	Variance After Adj's	Variance After Adj's
	£000	£000	£000	£000	£000	£000	£000	£000	%
Total - Funding	(352,532)	(352,532)	(352,532)	0	0	0	0	0	0.0%
Grand Total - Services and Funding (Excl DSG)	267,648	0	14,475	14,475	(5,827)	(12,663)	5,055	1,040	
Total Dedicated Schools Grant (DSG)	246,153	0	6,248	6,248	0	0	(6,248)	0	
Total	513,801	0	20,723	20,723	(5,827)	(12,663)	(1,193)	1,040	0.3%

This page is intentionally left blank

P04 Outturn Forecast - 2021/22 Revenue Budget Monitoring Forecast by Service

Directorate Variances over £250,000

S/H	Dir.	Service	Budget £000	Projection £000	Variance £000	Variance %	Comment
S	PEOPLE	Learning Disabilities	60,331	63,149	2,818	4.7%	Increase costs of placements and risk on S.117 income levels
S	PEOPLE	Older People	66,308	65,496	(812)	-1.2%	Reduction in placement numbers compared to budgeted level
S	PEOPLE	Physical Disabilities	15,430	15,174	(256)	-1.7%	Reduction in placement numbers compared to budgeted level
S	PEOPLE	Support Services	(17,930)	(19,353)	(1,423)	7.9%	Efficient use of support service budgets delivering efficiencies, and additional £1m Direct Payments recovery
S	E&I	Major Projects	5,691	5,430	(261)	-4.6%	Street lighting reduced energy usage
S	E&I	Planning & Regulation	640	894	254	39.7%	Additional staffing costs for Development Control to maintain current levels of service demand
S	CFC	DSG - High Needs Pupils	59,275	65,476	6,201	10.5%	Additional cost of high needs placements
S	FIN	Financing Transactions (Borrowing and Investments)	17,678	13,800	(3,878)	-21.9%	Temporary impact of deferring borrowing costs
S	FIN	MRP	11,098	10,000	(1,098)	-9.9%	Lower MRP charge from current MRP policy and capital expenditure slippage
S	FIN	Whole Organisation - Contingency	444	0	(444)	-100.0%	Use of corporate contingency to offset service costs
S	NON	Organisation Review	(1,500)	0	1,500	-100.0%	Deferral of savings programme to 2022/23

This page is intentionally left blank

P04 Outturn Forecast - 2021/22 Revenue Budget Monitoring Forecast by Service

Transfers To Capital

Subtotal	(5,827)
-----------------	----------------

S/H	Dir.	Service	Trf to Capital £000	Capitalisation - Detail
S	PEOPLE	Older People	(440)	Capitalisation of eligible equipment from the Worcestershire Community Equipment Service
S	E&I	Business, Administration & Systems	(81)	Where staff time across directorates has been spend on designing or managing capital projects, or activities like transformation where the Council receives the benefit over future years through efficiencies or future cost avoidance, these costs can be capitalised
S	E&I	Strategic Land & Economy	(156)	
S	E&I	Infrastructure & Assets	(83)	
S	E&I	Major Projects	(1,032)	
S	E&I	Operations, Highways and PROW	(2,004)	
S	E&I	Transport Operations	(60)	
S	E&I	Planning & Regulation	(427)	
S	E&I	Network Control	(96)	
S	COACH	Property Services	(188)	
S	COACH	Digital, IT and Customer Services	(295)	
S	COACH	Transformation & Change Team	(965)	

This page is intentionally left blank

P04 Outturn Forecast - 2021/22 Revenue Budget Monitoring Forecast by Service

Additional Use of Reserves

Reserves	Subtotal	(12,663)
-----------------	-----------------	-----------------

S/H	Dir.	Service	Additional Use of Reserves £000	Additional Use of Reserves - Detail
S	E&I	Strategic Land & Economy	(159)	Contribution from Open for Business reserves towards project developments
S	E&I	Waste management	(11,042)	Additional Use of Waste Reserve
S	E&I	Major Projects	(155)	Contribution from Open for Business reserves towards project developments
S	E&I	Transport Operations	(126)	Contribution from Open for Business reserves towards sub regional minerals plan development
S	E&I	Planning & Regulation	(278)	Minerals Plan
S	COACH	Legal and Democratic Services	(395)	Includes drawing down funding to support Councillors Divisional Funds projects
S	COACH	Commercial, Management Information & Research	(253)	Transformation Fund contribution to support research activity
S	COACH	Digital, IT and Customer Services	(219)	Transformation Fund contribution to support data management improvements
S	CEX	Engagement & Communications	(6)	Local Strategic Partnership use of funding
S	CEX	Health & Safety	(1)	Planned use of reserve to support Health and Safety
S	CEX	HR - Core	(29)	Planned use of reserve to support HR transformation

This page is intentionally left blank

P04 Outturn Forecast - 2021/22 Revenue Budget Monitoring Forecast by Service

Proposed Carryforwards

C/fwd	Subtotal	(1,193)
--------------	-----------------	----------------

S/H	Dir.	Service	Cfwds £000	Carry Fwds - Detail
S	COACH	Property Services	79	Funding carried forward to support property spend projects in 2022/23, incl £41k wildwood sinking fund
S	CFC	DSG - High Needs Pupils	(6,201)	21/22 High Needs Deficit Carried Forward
S	CFC	DSG - Statutory Duties / Historic Commitments	(47)	Overspend carried forward to DSG deficit reserve
S	FIN	Financing Transactions (Borrowing and Investments)	3,878	Treasury Management savings primarily driven by continued low interest rates and strong cash balances which enables the Council to defer taking external borrowing
S	FIN	MRP	1,098	MRP Policy Underspend - transfer to financial risk reserve

This page is intentionally left blank

Savings Forecast 2021/22 P4

Service Area	Target £m	F'cast £m	Var £m	Detail
People	0.000	0.000	0.000	Social care and communities will seek to manage demand and costs within their increased cash limit.
WCF	2.950	2.950	0.000	A review of back office posts and vacancies is forecast to yield £0.650m. Ongoing consultations with staff to be carried out in accordance with our HR policies; The in-sourcing of school improvement has enabled us to grow our traded element and we forecast to seek an additional £0.6m in 2021/22. Finally, a range of service reviews have begun to seek efficiencies, and this will focus on removing £1.75m.
E&I	2.200	2.142	0.058	Capitalisation of staffing costs across a range of service areas along with other income generation opportunities.
E&I (b/fwd)	0.030	0.030	0.000	County Enterprises efficiencies
E&I (b/fwd)	0.830	0.830	0.000	Review of management structures
E&I (b/fwd)	0.500	0.434	0.066	LEAN systems reviews
E&I (b/fwd)	3.800	3.800	0.000	Waste Services
Commercial and Change	0.400	0.400	0.000	There is an ongoing review of property charges and costs following both COVID and the in-sourcing of PPL that expects to save £0.4m.
Corporate	1.500	0.000	1.500	This is a continuation of the Organisational Redesign target set in 2020/21 following work supported by advisors 'C.Co' to change the way we work and review structures and posts.
Total	12.210	10.586	1.624	

This page is intentionally left blank

BORROWING AND LENDING TRANSACTIONS 2020/2021

1. In accordance with Financial Regulations and the Council's Treasury Management Policy Statement, the Chief Financial Officer is required to report annually on the activities of the Treasury Management operation.

2. This report details the borrowing and lending transactions undertaken by the Council for the 2020/21 financial year. Long term borrowing is used to fund Capital Projects and to replace principal sums repaid during the year. Lending transactions comprise instant access deposits, short-term investments on the London Money Markets, Ultra Short duration Bond Funds and with the Debt Management Office's deposit facility, held at the Bank of England.

Background

3. In response to the continuing COVID pandemic, the bank rate remained at 0.10% for the entirety of the Financial Year. In line with the Treasury Management strategy approved by Council investments have been made with the UK Debt Management Office, other Local Authorities, selected banks, Short Bond Funds and Money Market funds.

Borrowing

4. The borrowing transactions and debt outstanding for the Council in 2020/21 are summarised as follows:

Statement of Borrowing Transactions for the year ended 31 March 2021

	Short Term			Longer Term		Total Debt £'000
	Local Deposit Loans £'000	Short Term Temporary Loans £'000	PWLB Loans £'000	Money Market Loans £'000	Total Longer Term £'000	
Debt Outstanding at 1 April 2020	310	0	423,986	50,000	473,986	474,296
Loans Raised	31	70,000	0	0	0	70,031
Loans Repaid	(15)	(12,500)	(8,807)	(0)	(8,807)	(21,322)
Net Borrowing	16	57,500	(8,807)	0	(8,807)	48,709
Debt Outstanding at 31 March 2021	326	57,500	415,179	50,000	465,179	523,005

5. Total debt outstanding increased from £474.3 million to £523.0 million during the year. This increase comprises primarily of £70.0 million of new debt and repayment of £21.3 million loans. All of the new debt is to manage working capital in order to secure savings. This level of debt is within the Capital Financing Requirement for 2020/21 (£669.9m) and also meets the Prudential Indicators for the authorised limit for external debt (£723.0m) and the operational boundary (£700.0m). All debt is fixed rate and meets the Council's limits on the type of debt it holds (fixed and variable).

6. The Short-term temporary borrowing was taken in varying tranches from other Local Authorities, it is due to be repaid by the end of 2022/23:

Amount (£m)	Date Taken	Mature(d) by	Rate (fixed to maturity)
12.500	April 2020	31/03/2021	0.99%
25.000	April 2020	31/03/2022	1.33%
32.500	April 2020	31/03/2022	1.81%
70.000			1.49%

7. The total debt consists of longer and short-term debt. The longer-term debt of £465.2 million falls due for repayment as follows:

Within	£m	% of Total Debt
1 year	41.523	8.9
1 – 2 years	34.116	7.3
2 – 5 years	28.034	6.0
5 – 10 years	54.538	11.7
10 years and over	306.968	66.1
	465.179	100.0

8. Total debt outstanding is within plan and stands at £523.0 million at 31 March 2021, at an average rate of 3.27% (3.33% for 2019/20).

9. The short-term debt consists of local deposit loans repayable at seven days' notice which total £0.326 million on 31st March 2021. This has increased by £0.016m compared with March 2020.

Lending

10. The temporary lending transactions for 2020/21 of the Council's cash balances are summarised as follows:

	£m	£m
Balance at 01/04/2020		89
Investments made during the year (127)	1,041	
Less		
Investments recalled during the year (153)	(1,042)	(1)
Balance at 31/03/2021		88

11. All investments are made in accordance with the Council's Treasury Management Policy and to institutions that satisfy the criteria in the Council's Treasury Management Practices.

12. The average rate earned on investments during 2020/21 was 0.34%. The net interest earned on investments totalled £0.992 million.

13. The Chief Financial Officer concludes that the management of debt and short-term investments continues to be cost effective.

This page is intentionally left blank