

Agenda

Council

Thursday, 13 January 2022, 10.00 am
County Hall, Worcester

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DISCLOSING INTERESTS

There are now 2 types of interests:
'Disclosable pecuniary interests' and **'other disclosable interests'**

WHAT IS A 'DISCLOSABLE PECUNIARY INTEREST' (DPI)?

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

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

WHAT MUST I DO WITH A DPI?

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

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

WHAT ABOUT 'OTHER DISCLOSABLE INTERESTS'?

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

WHAT ABOUT MEMBERSHIP OF ANOTHER AUTHORITY OR PUBLIC BODY?

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

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

Not normally. You must withdraw only if it:

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

DON'T FORGET

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

Thursday, 13 January 2022, 10.00 am, County Hall, Worcester

Agenda and Summons

Councillors: Cllr Steve Mackay (Chairman), Cllr Alastair Adams, Cllr Salman Akbar, Cllr Mel Allcott, Cllr Martin Allen, Cllr Alan Amos, Cllr Marc Bayliss, Cllr Dan Boatright, Cllr Bob Brookes, Cllr David Chambers, Cllr Brandon Clayton, Cllr Kyle Daisley, Cllr Lynn Denham, Cllr Nathan Desmond, Cllr Allah Ditta, Cllr Matt Dormer, Cllr Aled Evans, Cllr Elizabeth Eyre, Cllr Laura Gretton, Cllr Peter Griffiths, Cllr Karen Hanks, Cllr Ian Hardiman, Cllr Adrian Hardman, Cllr Paul Harrison, Cllr Marcus Hart, Cllr Bill Hopkins, Cllr Matt Jenkins, Cllr Adam Kent, Cllr Adrian Kriss, Cllr Aled Luckman, Cllr Luke Mallett, Cllr Emma Marshall, Cllr Karen May, Cllr Natalie McVey, Cllr Tony Miller, Cllr Jo Monk, Cllr Dan Morehead, Cllr Richard Morris, Cllr Tony Muir, Cllr Beverley Nielsen, Cllr Tracey Onslow, Cllr Scott Richardson Brown, Cllr Andy Roberts, Cllr Josh Robinson, Cllr Linda Robinson, Cllr Chris Rogers, Cllr David Ross, Cllr Mike Rouse, Cllr Jack Satterthwaite, Cllr James Stanley, Cllr Emma Stokes, Cllr Kit Taylor, Cllr Richard Udall, Cllr Craig Warhurst, Cllr Shirley Webb and Cllr Tom Wells

1 Apologies and Declaration of Interests

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

2 Public Participation

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

Members of the public wishing to take part should notify the Assistant Director for Legal and Governance in writing or by e-mail indicating both the nature and content of their proposed participation no later than 9.00am on the Monday before the meeting (in this case 10 January 2022). Further details are available on the Council's website. Enquiries can also be made through the telephone number/e-mail address listed in this agenda and on the website.

3 Minutes

To approve as a correct record and authorise the signing of the Minutes of the meeting held on 11 November 2021 (previously circulated electronically).

4 Chairman's Announcements

To receive any announcements to be made by the Chairman.

5 Reports of Cabinet 1 - 4

To consider the reports of the Cabinet and to receive answers to any questions asked on the report of Cabinet – Summary of decisions taken.

6 Notices of Motion 5 - 6

To receive the report of the Assistant Director for Legal and Governance on any Notices of Motion received by him.

Councillors are asked to note that any Notices of Motion must be received by the Assistant Director for Legal and Governance no later than noon on 4 January 2022.

7 Annual Report of the Leader of the Council 7 - 16

To receive the annual report of the Leader of the Council and to receive answers to any questions on it.

8 Annual Report of the Chief Executive 17 - 28

To receive the annual report of the Chief Executive and any answers to questions on it.

9 Annual Report of the Chairman of the Overview and Scrutiny Performance Board 29 - 44

To receive the annual report of the Chairman of the Overview and Scrutiny Performance Board and answers to any questions on it.

10 Question Time 45 - 46

To receive answers to any questions asked by Councillors.

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

- It is delivered in writing to the Assistant Director for Legal and Governance by noon on 4 January 2022 or*
- If it relates to urgent business, the Assistant Director for Legal and Governance is notified at least half an hour before the start of the meeting and the Chairman agrees the matter is urgent’.)*

11 Reports of Committees 47 - 60

To consider the reports of Committees and to receive answers to any questions asked on those reports as follows:

- Audit and Governance Committee; and
- Pensions Committee.

NOTES

- **Webcasting**

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

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

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

Date of Issue: Wednesday, 5 January 2022

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COUNCIL
13 JANUARY 2022**REPORT OF CABINET - SUMMARY OF DECISIONS TAKEN**

Consideration of Specification and Land Acquisition for New Secondary School

1. In February 2021, Cabinet considered options for ensuring the Council is able to meet its duty to ensure a sufficiency of school places for all children and young people of statutory school age over the next five years. A key element of that programme was the agreement to deliver a new Secondary School to be built to address the shortfall in places within the Worcester City Council boundary.
2. Cabinet has subsequently noted the outcome of the engagement survey which was undertaken in the early summer. The majority of comments made to this have been incorporated into the draft specification for the school. Consultation on the final specification for the school has also been authorised by Cabinet and the CMR will approve this having regard to any representations made.
3. A detailed assessment of site options has been undertaken which has considered a wide number of factors. It has considered all available sites either on the market or proposed for development within the Local Plan. The full assessment has concluded that the site at Newtown Road ('The Site') is the recommended site option to deliver a new secondary school for Worcester City. The Newtown Road site does come with some challenges in the design and construction of the school, most notably the management of the highways and active travel routes link; and management of a 14m level difference on site.
4. Sufficient land will be purchased to enable the delivery of the new secondary school. The site does provide further possible opportunity for non-school provision, for example NHS additional space and lease income, however these opportunities have not been fully explored. The primary purpose for this land purchase is the delivery of education services. Cabinet has delegated authority to officers to complete a negotiated purchase of the land.
5. Council is being recommended through the budget process to allocate appropriate capital funding for the school.

Resources Report – Revenue Budget Monitoring – Month 6 (30 September) 2021/22

6. Cabinet has considered a report setting out the 2021/22 outturn forecast for the Council's £355 million net revenue budget as at Month 6 (30 September 2021), the estimated financial impact of COVID-19 and progress to date on the savings and reforms programme.

7. As at month 6 the Council is forecasting a £1.3 million cost pressure after utilisation of COVID-19 grant income, that is 0.4% of its net revenue budget. As such the Council's financial resilience and standing remains strong.

8. The Council is managing around £52 million of additional one-off funding to support our response to COVID-19. This includes working alongside partners and suppliers to ensure vital support services are enabled across the County area. The Council's spend is in line with the additional funding allocated by Central Government and all funds are forecast to be utilised.

9. The latest position on Dedicated Schools Grant (DSG) spending indicates that there will be a net deficit at year end (-£3.6m) with 35 schools in deficit and 81 in surplus. In addition, spend on the High Needs Block is forecast to overspend by £6.1 million. The funding of schools in the County remains an issue the Council is raising with Government, and we are assessing the impact of the recently announced extra Government funding as part of setting next year's budget. The Council will continue to work with schools to look at any actions possible to reduce the forecast deficit by year end.

Fair Funding for Schools 2022-23 – National and Local Funding Arrangements for Schools

10. The Council receives funding for schools and designated central services through the Dedicated School Grant (DSG). This is a ring-fenced grant and is allocated by the Department for Education (DfE) in 4 blocks – Schools, Central School Services, High Needs and Early Years. This is based on the DfE's National Funding Formula (NFF) arrangements.

11. Cabinet has noted the DfE policy for school and Local Authority funding for 2022-23 and the engagement process with, and views of, the Worcestershire Schools Forum members and schools. It has approved the Local Schools Funding Formula for Worcestershire mainstream schools from April 2022 to apply for 2022-23, to include the DfE Minimum Funding Levels (MFL's) for Primary £4,265; Key Stage 3 £5,321; Key Stage 4 £5,831; Secondary £5,525, to be based as far as is practicable and affordable upon the Department for Education (DfE) National Funding Formula (NFF) parameters.

12. Cabinet has also authorised the Director of Children's Services to make the required submission to the Education and Skills Funding Agency for the approved Local Schools Funding Formula.

Policy and Process for the Determination of Penalties Under the Tenant Fees Act 2019 and Associated Legislation

13. Cabinet has adopted a policy and framework for issuing fixed penalty notices under the Tenant Fees Act 2019.

14. The Act places a statutory duty on Worcestershire County Council as the local weights and measures authority, to enforce this legislation in its area. The Act prohibits the charging of fees in respect of a tenancy other than those which are specifically permitted. It amends a range of other legislation to support the enforcement of these

provisions to ensure protections for those renting. The law should now give clarity over what agents can charge prospective tenants for and should make costs much clearer to those entering into rental agreements.

15. Whilst the Council is not a housing authority, it already has a number of duties that impact on the way properties are marketed. This is the likely reason for tenant fees being added to this broad portfolio.

16. The Act makes use of a fixed penalty regime as part of its enforcement processes. In order to levy fines, the local authority must develop and approve a policy that outlines what the fines will be for particular forms of offending. All fees levied in this way by the enforcing local authority are retained by the Council but must be invested in further work around housing law enforcement.

17. The law includes the provision of a body to provide an enforcement backstop role on occasions where local authorities are unable to pursue serious matters of non-compliance, a 'Lead Enforcement Authority'. Bristol City Council is carrying out this role and in order to ensure consistency between local authorities and fairness for businesses, has produced a model policy and fines framework that local authorities can adopt for use locally.

Waste Management Service Contract

18. The County Council and Herefordshire Council entered into a contract for an integrated waste management service with Mercia Waste Management Limited (Mercia) in December 1998. Under the Public Contracts Regulations 2015 and the terms of the Waste Management Service Contract (WMSC), which expires in January 2024, the parties are able to agree an extension.

19. Cabinet at its meeting in December 2018 set out certain Parameters (Financial, Contractual and Technical) which the terms of any proposed extension were required to meet in order to be considered as acceptable to the Council.

20. Since the 2018 Report, Officers together with colleagues from Herefordshire Council, have been engaged in negotiation with Mercia to agree terms of a possible extension subject to satisfy the Parameters. As the WMSC expires in January 2024 a decision on whether or not to agree the terms of an extension needed to be made.

21. Cabinet has noted the progress in relation to the WMSC since the report to Cabinet in December 2018 and agreed that Mercia's Proposals represent an acceptable position for the Council to progress the Variation. It has authorised the Strategic Director for Economy and Infrastructure, in consultation with the Chief Finance Officer, the Assistant Director for Legal and Governance and Herefordshire Council, to negotiate the WMSC and enter into a Variation with Mercia to put into effect their proposals for extending the duration of the WMSC for a period of five years until 11 January 2029 provided that the Variation complies with:

- The Financial Parameters
- The Contractual Parameters; and
- The Technical Parameters

as set out in the report to Cabinet in 2018.

Contact Points

Specific Contact Points for this report

Sheena Jones, Democratic Governance and Scrutiny Manager

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Background Papers

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

Agenda and background papers for the meetings of the Cabinet held on 18 November and 9 December 2021.

[Browse meetings - Cabinet - Worcestershire County Council \(moderngov.co.uk\)](http://moderngov.co.uk)

COUNCIL
13 JANUARY 2022**NOTICES OF MOTION**

Notices of Motion Received

1. The Assistant Director for Legal and Governance reports that he has received the following 3 Notices of Motion. The Constitution provides that any submitted motion must be moved and seconded at the meeting. Otherwise, unless postponed with the consent of the Council, it will be treated as withdrawn.
2. If a motion is in relation to the exercise of an executive function it will be referred to the Cabinet for decision (if applicable this will be indicated below). Otherwise the Council may decide itself to determine the Motion, or refer it to the Cabinet or another appropriate Committee for advice before determining it at the next available meeting.

Notice of Motion 1 – Her Majesty, The Queen

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

4. Notice of Motion standing in the names of Cllr Elizabeth Eyre, Cllr Scott Richardson Brown, Cllr Richard Morris, Cllr David Chambers, and Cllr Brandon Clayton:

“This Council acknowledges the unique achievement of Her Majesty, The Queen, in being our longest-serving monarch; it commends her long life of service to our nation, our Commonwealth and many aspects of International life.

It requests the Chairman send loyal congratulations on behalf of our residents and agrees to support them and their communities, during the 4-day 2022 programme of events, around the County, as permitted by the Covid restrictions at the time: from facilitating road closures for street parties, to supporting tree plantings, to encouraging divisional funds appropriately to support the costs of celebrating her Platinum Jubilee.”

Notice of Motion 2 – Declaration of a Biodiversity Emergency

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

6. Notice of Motion standing in the names of Cllr Mel Allcott, Cllr Josh Robinson, Cllr Jack Satterthwaite, Cllr Lynn Denham, Cllr Richard Udall, and Cllr Dan Boatright:

“Council declares a Biodiversity Emergency and commits to doing the following:

- Produce a biodiversity strategy to support sustainable land management, which is sympathetic to wildlife and the prevention of wildlife habitats being unnecessarily destroyed and to seek ways to create and care for wildlife-rich spaces across Worcestershire
- Work with partners to review and update all existing relevant strategies
- Establish a Member Advisory Group to assist with the future revision of a biodiversity strategy and report annually on actions taken.”

Notice of Motion 3 – Health impacts of the pandemic

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

8. Notice of Motion standing in the names of Cllr Matt Jenkins, Cllr Natalie McVey, Cllr Beverley Nielsen, Cllr Tom Wells, and Cllr Martin Allen:

“The impact of the COVID-19 pandemic has had a huge impact on all our lives. In particular, it has highlighted and exacerbated the existing health inequalities that exist within our society.

There are various areas where these effects are felt, often cutting across the council departments of health, adult care and children’s services.

Examples of the concerns are:

- The impact on children born during the pandemic
- School readiness of children on free school meals
- Worsening educational outcomes and risk for the most disadvantaged
- Impact on mental health
- Black, Asian and other ethnic groups carry a disproportionate toll due to the pandemic.

This motion calls for the creation of a scrutiny task group or member advisory group that can undertake a cross-departmental investigation of the impact of the pandemic on health inequalities and find solutions that reverse these impacts.”

Contact Points

Contact Points for this report

Simon Lewis, Committee Officer

Tel: 01905 846621

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Background Papers

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

13 JANUARY 2022**ANNUAL REPORT OF THE LEADER OF THE COUNCIL**

1. My Annual Report, the first in this new Council term, is presented at a time when our country remains affected by the continued impact of the global pandemic. The impacts remain wide ranging and new variants bring with them uncertainty and the risk of further impacts on public health, education and the economy. However, the success of the vaccination programme in our County and more broadly across the nation, has allowed us to be able to increasingly focus on recovery and on wider initiatives so important to our residents and businesses within the County.

2. Our “One Worcestershire” approach, together with the infrastructure such as Here2 Help that we put in place at the onset of the pandemic, still serves the County well. The community response has continued throughout 2021, with individuals and local groups continuing to offer support to others in need and this unwavering community effort continues to show what we can achieve when we come together.

3. Our systems and structures have provided to be highly resilient – indeed, we have invested to support that resilience and our capability to operate flexibly with, for instance, the implementation of Microsoft Teams fully implemented. In recent months we piloted a hybrid model of working, with a return to the office for part of the week and mobile and flexible working for the remainder. The aim is to develop a new way of working that retains the aspects of remote working that worked well, whilst enabling a return to offices and other physical workspaces for collaborative meetings and other tasks where face to face is better.

4. Despite the resources and focus these events have demanded, the Council has worked to progress many other projects and non-COVID-19 related matters during the year. I have used this report to try to highlight many of those achievements, based around the themes in our Corporate Plan, with the report of the Chief Executive covering organisational and operational matters.

Open for Business

5. During the past two years the impact of COVID-19 on Worcestershire’s local economy has been unprecedented. We have worked extensively with partners to ensure a joined up and co-ordinated response, working alongside colleagues in District, City and Borough Councils, Worcestershire LEP, H&W Chamber of Commerce, FSB, NFU, DWP and Worcestershire Regulatory Services. This work has formed Worcestershire’s Economic Recovery Group responsible for the County’s Economic Recovery Plan which focusses delivery across key priorities: Information for Business, Business Support, Transport and Infrastructure, Employment and Skills, Town Centres and Tourism.

6. This collaboration has enabled businesses across the County to be reached, ensuring they have the most up to date information in relation to regulations and support, whether that has been information on opening restrictions, support from Government or local agencies such as ourselves to support business recovery and resilience. As partners we have spoken to over 1500 businesses to understand what support is needed and how we and our partners can respond effectively.

7. In July 2020, Worcestershire County Council launched Here2Help Business. Since inception it has supported over 300 local businesses, which will create over 200 new jobs, safeguard over 670 jobs and has created 47 new graduate roles across Worcestershire. While this programme has specifically targeted those companies affected by the pandemic, the Council continues to deliver tailored support for local businesses. Over the past 12 months, working with suppliers we have supported more than 1,100 businesses with their ambitions to start, grow and realise their potential.

8. In April 2020, the County Council took responsibility for Visit Worcestershire. We have worked closely with partners from the public and private sector to promote Worcestershire as a visitor destination, updating the website, bringing together tourism businesses to collaborate, led a summer campaign #discovermore, which saw adverts at key locations, on the radio and digital adverts improving social media content and increasing website traffic to more than 16,000 unique visitors per week.

9. Funding to support ambitious plans in the County has been secured by our District partners in the form of Future High Streets funding in Worcester and Kidderminster (£38.4m), Towns Fund in Redditch and Worcester (£35.2m), and the more recently announced Levelling Up Fund in Kidderminster and Bromsgrove (£32.4m). In November 2021, Government also announced that Worcestershire was awarded £2.7m from the Community Renewal Fund Programme, providing funding for locally led, innovative projects to support communities, businesses and young people.

10. A growing and successful local economy is vital for residents and businesses to prosper. It contributes to the financial sustainability of this Council too, through the income that new homes add to our tax base and the generation of increased revenue from Business Rates. Progress is tracked against the Worcestershire Local Enterprise Partnership objectives set out in the Strategic Economic Plan to create 25,000 jobs, grow the economy by nearly one third (an extra £2.9bn Gross Value Added) and deliver 21,500 new homes by 2025. So far excellent progress has been made, with GVA increasing by £2.8bn, 34,000 extra jobs and 17,360 new homes.

11. Our economic 'Gamechanger' programme at Worcester Six, Redditch Gateway and Malvern Hills Science Park continues to attract significant businesses, generate new jobs and investment. Our ambition for these sites will see new investment in Worcester Six for phase 2, providing a further 680,000 sq. ft of floorspace on 60 acres of land. The vision to establish the Malvern Hills Science and Technology Park as a larger scale science park continues to become a reality, with infrastructure works starting soon.

12. The Council is set to build on the success of the Gamechanger programme through the development of further "gateway" schemes adjacent to key rail nodes. These "Gamechanger 2" Sites include the Shrub Hill Quarter in Worcester and the acquisition at the end of 2020 of Shrub Hill Industrial Estate and Redditch Railway Quarter. The purpose of these schemes is to enable economic growth and enhance connectivity. The Council has secured funding through the Government's Getting Building Fund to progress these plans alongside our own capital investment.

13. Digital infrastructure and the connectivity it provides has never been more important. The last of the Superfast Worcestershire broadband contracts completed in 2021, having taken Superfast (24Mbps+) coverage from under 70% to approaching 98% of Worcestershire. Positively, over 80% of properties built up to have taken up improved broadband services from the digital infrastructure supported by the County Council's

investments, evidencing the demand for improved connectivity and providing a financial return to the Council that has continued to be reinvested in digital connectivity.

14. Attention has shifted towards reaching Gigabit capable (1000Mbps) speeds. Coverage in December 2019 was reported at 3.8%, 36.4% in December 2020 and in the last year has risen to 42.3%. In 2022 we will see further commercial broadband deployments in the County, the commencement of a Central Government broadband procurement across much of Worcestershire and the delivery of a range of community led schemes that we have supported to keep improving the Gigabit coverage.

15. The widely respected Worcestershire 5G project has transitioned to become 'nexGworx', a subsidiary of Malvern Hills Science Park, allowing businesses to develop their products and services on a private 5G network and access experienced support across the 5G ecosystem. Meanwhile, the West Mercia Rural 5G consortium is approaching the end of a two-year project focussed on understanding the delivery of rural 5G solutions and opportunities it can offer around the areas of health and care.

Environment

16. Our highways provide a vital transportation network for businesses and residents across the County and beyond. The County continues to gain the highest level of DfT Incentive funding, thus securing the maximum Highway Maintenance resource. Together with additional WCC capital investment, we can continue to improve the condition of roads and pavements, which is a top priority for residents.

17. This year, circa £27m has been invested into our carriageways and footways. 250 footway schemes will have been completed this financial year alone, equating to more than 75 kilometres of new and improved pavements. We will have completed 350 road schemes this year, equivalent to over 200 kilometres of road. We have also invested a further £800k into our network of public rights of way to respond to the increased usage.

18. In recent years, we have experienced a number of flooding events within the County. The most significant being in February 2020, the wettest February on record in the UK. We continue to work with our partners to complete a range of drainage and flood mitigation schemes to improve our resilience to the effects of flooding and the climate change, including projects planned in Bewdley and Tenbury. With additional capital resource we've been able to deliver a further 650 drainage improvements.

19. The scheme to dual the Southern Link Road between Junction 7 of the M5 and Powick roundabout has progressed, with the section between the Whittington and Ketch roundabouts now fully complete. The new river bridge and carriageway between the Ketch and Powick roundabouts have been opened immediately to the south of the original infrastructure, which is currently undergoing maintenance work. New pedestrian and cycle bridges have been opened at Hams Way and Broomhall Way, the former already having attracted two industry awards. The scheme is due for completion in 2022.

20. The first two phases of the A38 Bromsgrove Route Enhancement Programme (BREP) are now completed. This included capacity improvements at Barley Mow Lane, Junction 4 of the M5 and J1 of the M42 as well as active travel improvements. An Outline Business Case (OBC) for future phases of BREP was submitted to the Department for Transport in November 2021, which supports the submission of a £49 million bid to the DfT to fund further highway capacity and active travel improvements.

21. Works to improve the congested Pinvin Junction just outside Pershore were completed last year and work is well underway on the Pershore Link Road, which will further alleviate traffic congestion in the area. The scheme includes the provision of a road bridge over the North Cotswolds Line and active travel provision.

22. Worcestershire Parkway was opened shortly before the pandemic and the upward trajectory of passenger numbers has resumed following the easing of restrictions. A major transformation of Kidderminster Station was completed during the pandemic and that too has seen a growth in passenger numbers.

23. Our programme of town centre improvements has continued unabated, with schemes being completed in Redditch Town Centre and Port Street in Evesham. Plans are well underway for further town centre improvement schemes in Worcester as part of the Future High Street Fund and in Redditch as part of the Towns Fund programme.

24. Further schemes have been completed as part of the Cutting Congestion programme including projects in St John's, Hagley and Hoobrook roundabout. A project to improve the staggered junction of the A38 just outside Upton-upon-Severn through the provision of a roundabout is now underway and further schemes are in the pipeline.

25. We have secured planning consent to provide a new pedestrian and cycle bridge over the River Severn between Gheluvelt Park and Kepax. Plans for a new pedestrian and cycle bridge to improve access between Hampton and Evesham Town Centre are well underway, with a planning application to be submitted later this year.

26. The County's first Local Cycling and Walking Infrastructure Plan at Evesham was open for public engagement in late Autumn 2021. Funding has been secured for active travel routes in Worcester and Kidderminster through the Active Travel fund, in partnership with Worcester City Council and Wyre Forest District Council.

27. In July 2021 the Council was one of the successful bidders to the Government's Natural Environment Investment Readiness Fund, securing £83,000 to invest in biodiversity improvements in the County, linked to the biodiversity net gain requirement arising from the Environment Act.

28. The Council's street lighting service is accelerating the roll out of LED lights and concrete column replacements. Over 50% of the County's street lighting is now LED, which contributes towards reducing carbon emissions and energy use.

29. With the launch of the National Passenger Transport Strategy "Bus Back Better", the Council has been preparing our Bus Service Improvement Plans and a bid has been submitted to the DfT for £86m to invest in improving frequency, service levels, infrastructure and marketing of services. We have also been selected to move forward to the second round of bidding for the DfT's Zero Emissions Bus Regional Areas scheme which, if successful, will provide zero emission buses for Redditch and Bromsgrove. The Council is in the process of forming an Enhanced Partnership with our bus operators.

30. EnviRecover, the County's Energy from Waste facility, continues to process waste produced by Worcestershire's households. The facility creates enough electricity to power 32,000 homes. In December 2021, the Cabinet agreed to extend the Waste Service Management Contract for 5 years (to 2029).

31. In response to the growing global concerns around Climate Change in 2019 this Council adopted the Government's national target to be net carbon neutral by 2050. We published our Net Zero Carbon Plan in October 2020. Last July the Council declared a climate emergency, vowing to continue our active and ambitious programme to reduce our organisation's environmental impact and work with partners across the County to tackle climate change together. We know there is much to do to achieve this aim, but we have been rising to this challenge for many years.

32. Since 2010 we have reduced the Council's own carbon emissions by 49%. This reduction has been achieved through measures such as:

- investment in energy efficiency and renewable energy, LED lighting in our streetlamps, biomass heating, solar PV and even water source cooling
- move from landfilling of household waste to disposal through Energy from Waste
- remote working and virtual meetings
- contraction of estate and fleet
- purchasing 100% renewable electricity for property and street lighting.

33. To date, our sustainability team has secured circa £26m external funding to support businesses, householders, public and community organisations in reducing their environmental impact and, in many cases, enabling them to save money.

34. Funding has been obtained to take forward advice and grant programmes supporting businesses, and now public sector organisations, to improve their energy efficiency and install renewable energy and improve biodiversity of their land. Since these programmes began, more than 600 Worcestershire organisations have been supported - achieving on average a 30% cut in energy consumption, installing circa 2 megawatts of renewable energy systems and saving more than 5000 tonnes CO₂ annually.

Children and Families

35. Our aim remains to ensure children and young people in Worcestershire receive a good quality and inclusive education, with support for children with additional needs, to enable all to achieve their potential. We support vulnerable children and their parents through early help and targeted family support, keeping families together and building on their strengths and resilience to respond to problems they face in their lives and to safeguard children from significant harm.

36. Improving the education and skills of young people, who are our future workforce, has a key role to play in sustaining economic growth and creating higher skilled and better paid jobs. Though our role in education has changed, we continue to play a vital role in future school place planning and provision and Cabinet have now agreed to commence the programme to build a new secondary school in Worcester to meet the needs of our growing County.

37. We have continued to work on modelling the number of school places required across the County in different age ranges and catchment areas. This has led to revisions to policy to ensure we meet the needs and preferences of children and parents. Cabinet agreed to consult with stakeholders on the proposal for a co-ordinated change of age range to align schools in the Pershore Education Planning Area to a single, two-tier (primary and secondary) system of education, with view to reporting back to Cabinet in February 2022.

38. We have continued to fulfil our duty to provide home to school travel, SEND assessment and specialist care and education provision and we continue to lobby for more resources for this area of Council activity.

39. In terms of current performance, 84% of children in Worcestershire are educated in good or outstanding schools. Our aim is for this to be even higher, however it should be noted that no routine Ofsted inspections were undertaken during the period March 2020 to July 2021 due to the pandemic.

40. Last year, over 90% of parents secured an offer at their first preference school for their child in 2020/21. GCSE exams did not take place because of the disruption to students' education caused by the pandemic. Instead, grades were determined by teachers, based on a range of evidence. These were known as teacher assessed grades. GCSE results by school in Worcestershire were not published in 2020/21 because schools had flexibility to assess in different ways and therefore GCSE exams results changes were not comparable school by school. Nationally there has been an increase in outcomes at the top grades and the stability at lower grades. Local feedback suggests a similar pattern in Worcestershire.

41. Turning to our work on protecting the most vulnerable children, we retain our vital duty to protect children from significant harm and our responsibility as Corporate Parents for children and young people in the care of the Council. The number of our looked after children in December was 889, or 74 per 10,000. The number subject to a child protection plan was 404, or 34 per 10,000. Demand at the front door through Contacts and Referrals remain high following COVID-19 which is consistent across the country. Our average caseloads for social workers have fluctuated through increased demand and workflow pressures during COVID-19, but staff report them to be manageable, with high level support received from management. This is reflected in our social work stability and permanency data at 90% for all social work posts and 98% for social work managerial posts, and this remains a significant strength.

42. We continue to be pleased with the progress made by Worcestershire Children First, our wholly owned company, in delivering Children's Services across Worcestershire. WCF has been in operation for almost 3 years and there continues to be a strong partnership and collective ownership between the Council and the Company in improving outcomes for children and young people.

43. This was clearly evidenced by Ofsted in their July 2021 feedback meeting on their focussed visit into our Family Front Door services who concluded "Leaders have established a positive culture of commitment to continuous improvement across this service area, supported by particularly strong quality assurance arrangements" and the early help partnership is now well engaged in the delivery of services, and most schools in Worcestershire have an early help offer, bespoke to their needs.

44. I am also delighted that the Department for Education in November 2021, confirmed their revocation of the Statutory Direction and their intervention has now ended. This is very positive news for children and families across the County and reflects our collective commitment across the Council to doing all we can to keep children and young people safe and improving outcomes for all children.

Health and Wellbeing

45. Public Health has continued to be at the forefront of the Council's response to, and management of, COVID-19 this last year. This has been defined by effective partnership working both within the Council, with our District colleagues, and with wider partners across the NHS, Public Health England (now the UKHSA) and the VCS.

46. The outbreak response team, set up early in 2020, remains fully operational, working to reduce the impact of COVID-19 outbreaks in high-risk settings across the County, recognised as 'Gold Standard'. It continues to provide expert infection control advice and aid the implementation of National Government Guidance effectively at a local level.

47. This has, in turn, reduced the impact of COVID-19 on businesses, supporting the local economy; reduced transmission in schools, working with Worcestershire Children First to sustain high quality education provision; and provided support to people experiencing homelessness or rough sleeping. The latter included COVID-19 vaccinations being prioritised, allowing 'at-risk' individuals to be protected.

48. Vaccination uptake in Worcestershire, for children aged 16-17 has been the best in the Country. Public Health has worked with the NHS Clinical Commissioning Group (CCG), District colleagues and communities to support initiatives such as walk-in 'Grab a Jab' clinics, as well as mass sites such as The Artrix in Bromsgrove, St Peter's Baptist Church in Worcester and the Three Counties Showground in Malvern. These sites encourage those eligible to take up the offer and protect themselves and others, which is vitally important as the Omicron variant increases across the County. Booster uptake is progressing well, with over 75% of those eligible having received this vaccination (as at 22 December 2021), which is a nationally high position.

49. The Contain Outbreak Management Fund (COMF) provides funding to help reduce the spread of COVID-19. The total available for Worcestershire, combining 2020/21 and 2021/22 allocation, is £15.9m. Spend has been allocated collaboratively with District Councils and wider partners. Whilst initially substantially for COVID-19 testing, as the pandemic continued this has been funded directly from the Department for Health and Social Care. Therefore, the Director of Public Health reallocated COMF resource to focus on acute response and reducing the impact of COVID-19 on communities.

50. There will be a continued strong focus on prevention in the new Joint Health and Wellbeing Strategy (JHWS), due to be published Summer 2022. The overarching theme for the new document will be "Better mental health and emotional wellbeing", supported by healthy living at all stages in life, safe and healthy homes, and good jobs. An engagement programme has been established to reach out to our communities and better understand the wellbeing of Worcestershire's residents, to inform this strategy.

51. The Health and Wellbeing Board is refreshing its purpose, as it shapes the new JHWS and to align with the development of the Integrated Care System (ICS). This statutory forum is key to bringing together multi-agency partners; political, clinical, professional and community leaders, to focus on health outcomes for our local population. The Board and its members are working to support the emerging governance arrangements and delivery structures of the ICS, which will formally take effect in April.

52. Promoting independence is a key aim of our work in social care, as we know that people can live healthier and more fulfilling lives if they retain their independence. Our

approach to promoting strengths based social work focuses on listening and connecting with people, to understand what really matters and work with people intensively, if they are in a crisis to help them regain control of their life. The evidence continues to demonstrate that people receive a significantly faster response and fewer people need on-going funded support.

53. Adults Mental Health Social Work teams transferred back to the County Council in April 2021. The Council has agreed funding arrangements with the Herefordshire and Worcestershire Clinical Commissioning Group (CCG) to support people, post a mental health crisis. This is for people with a Learning Disability and creates equity for those on a par with our Mental Health service users. The Council continues to work with the CCG to ensure clients with health needs who have a Continuing Health Care eligibility are funded in accordance with that need.

54. Following an intensive review of Direct Payments, there has been a recent upturn of people in receipt of direct payments. Worcestershire is currently at 23% of its customers who access such a payment, against a target of 28% to put Worcestershire in line with England average of 27.9%. Supported Living placements have also continued to rise, moving from 651 in January 2021 to 689 in September 2021.

55. The Community Reablement service went live in October 2020. This was to support people to avoid admissions to crisis care. However, this service was impacted by the pandemic, where resource to provide the universal offer was re-directed to support people going home, following a hospital stay. Despite that, when comparing 2020/21 results with Quarter One of 2021/22, 4% more people remained at home, following a period of reablement (up to 80% from 76%).

The Financial Outlook

56. I am pleased to say that despite yet another extraordinary year we have faced as a nation and County, this year we are projecting a broadly balanced budget.

57. That is no small feat when you consider that in 2021/22 we have received over £51m of COVID-19 related grants, needed to support recovery activity and started to see latent impacts of the pandemic adversely affect our demand. Keeping track of that and completing Government returns has not been easy for the team but thanks to strong financial controls and reporting we have been able to ensure we have a full audit trail.

58. We have worked closely with our public sector partners to ensure that grants such as the Winter Pressures Grant and the Household Support Fund were spent on those most needing support over the winter and other holidays. This has included spending £21m on the most vulnerable in our communities, £9m on testing, tracing, and support for outbreak control and £12m supporting the NHS with hospital discharges and on care. Putting all that in perspective, that means in 2021/22 we have spent the same on COVID-19 as we have spent on Economy and Infrastructure services.

59. We have also been working alongside our District Councils and the Fire Authority to ensure that we will continue to operate a Business Rates Pool and, as a result of that joint work, we are forecasting to see an additional £3.5m retained in Worcestershire for 2021/22, and this is forecast to continue for the next financial year.

60. At the same time, the Finance Team were able to close down the accounts with an unqualified opinion from our external auditors, Grant Thornton.

61. Whilst managing spend in 2021/22 we have been working hard to develop the 2022/23 revenue and capital budgets. Active financial management has enabled us to put forward proposals that see a Council Tax/Social Care Levy of 3.94%, that will see us remain in the lowest quartile amongst County Councils for our level of Council Tax. Yet at the same time we have protected services and ensured investment in our County's infrastructure, economy and environment.

62. Looking forward, we have seen Government announcements, through the Spending Round 2021 and draft Provisional Settlement, that we will receive extra funding for social care and a new Services Grant. The additional monies are a welcome reflection of the lobbying we have been undertaking alongside our CCN partners.

63. We look set to receive up to an additional £15m for Social Care and over £7.1 million for High Needs and SEND. This is a welcome acknowledgment by the Government of the pressure councils responsible for social care and higher needs face and, alongside the other proposed measures around Council Tax and continuing reform, means we have published a balanced draft budget for 2022/23.

64. Going forward, we will continue to lobby for a new Fairer Funding formula, expected now in 2022 for 2023/24, that reflects the key drivers of cost and adjusts the weighting for rurality and sparsity. This could help to ensure the sustainability of the services we deliver today for future years and will be a key focus of our lobbying efforts this year.

65. Finally, I would like to thank Cabinet Members, our management team and the wider workforce, as well as all Members of the Council including those involved in the important work of scrutiny for the invaluable contribution they have made throughout the year to improve Worcestershire and the services of the Council. This has been another testing year and I am grateful to all for the concerted effort of the whole Council to support residents and businesses through yet another extraordinary year.

Simon Geraghty
Leader of the Council
January 2022

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13 JANUARY 2022**ANNUAL REPORT OF THE CHIEF EXECUTIVE**

1. The Annual Report of the Chief Executive provides an overview of the organisation's priorities, actions and achievements over the previous 12 months. It aligns closely with the Annual Report of the Leader, and whilst that highlights external achievements we've delivered across Worcestershire, this report focuses on the internal workings of the organisation, and our priorities to be lean, efficient and maximise value for money. Together these reports paint a strong picture of achievement, with many examples of delivering on key priorities and demonstrating excellent outcomes for Worcestershire and its residents.

2. Once again I must lead by thanking all our amazing staff working for and behalf of Worcestershire County Council. Over the last year I have been consistently reminded by the dedication and passion our staff have to deliver critical services for the communities and businesses of Worcestershire. They have done a tremendous job, meeting the exceptional demands that Covid-19 placed on us all, whilst continuing to deliver our core services each and every day of the pandemic.

3. Covid-19 continues to place significant pressure on us as an organisation and for our partners across Worcestershire. We've worked more closely together than perhaps ever before, and helped Worcestershire get back on its feet from the impact of the pandemic. Internally, our organisational structure has shown great resilience and flexibility to manage the additional demands placed on us all by the pandemic. It's allowed us to transition managing the impact of Covid-19 whilst being able to push on with our key transformation programmes. This has also been supported by ensuring we all demonstrate our core behaviours and operate as 'One Council'.

4. We've proven to be a diligent and well-run organisation and 2021 was no exception. We continued to operate within budget, and managed the additional income and expenditure caused by the pandemic to return a balanced budget which has continued to invest in core services whilst responding to immediate pressures.

5. Our focus, to build a resilient, responsive organisation has been proven again in 2021. We will continue to build on this, honing the key relationships between elected members and senior officers, to support clear and transparent decision making and performance management of our organisation. We are in a strong place as we move towards 2022.

Public Health

6. The past year was once again dominated by the nation's response to Covid-19. Public Health had a dual role to play, supporting the immediate response to the pandemic, whilst enabling the transition to business as usual as we started lifting restrictions.

7. The governance arrangements and Local Outbreak Response Team, established under the Outbreak Control Plan, remain operational, working to restrict the spread of COVID-19 and supporting high risk settings such as care homes, schools and businesses. In addition, Public Health continues to work closely with the NHS Clinical Commissioning Group to target and promote vaccination uptake in the county, linking with district councils, and further across the system to reduce disparities

heightened by the pandemic.

8. Whilst responding to and managing the impact of COVID-19 locally, the Director of Public Health (DPH) has reported directly to the Chief Executive, working together across Worcestershire and with wider partners. The benefits of this approach have been widely recognised and continue, as the Public Health response remains a high priority.

9. As was intended prior to the pandemic, the DPH has initiated a strategic review of the Public Health Emergency Planning, Resilience, Response and Recovery function. The intention is to ensure it is well structured with sufficient capacity to meet the Council's significant current and future duties and responsibilities. The review will incorporate learning from COVID-19, emerging national requirements, and include consideration of the Council's corporate business continuity arrangements.

10. Public Health is working across the Council to achieve better health outcomes for the residents of Worcestershire. It does this in support of the corporate priorities. For example, focusing on utilising green space, preventing fuel poverty and supporting planning decisions. Public Health supports the local population throughout life, with a focus on early intervention services for children, young people and families, alongside early years and education to help reduce demand for children's social care. The team works closely with Adult Social Care, through an adult preventative offer including strength and resistance training, balance and falls prevention and loneliness services.

11. Public Health continues to work with HR, Organisational Development and Engagement to deliver a workplace wellbeing programme, recognising the value of mental, social and physical wellbeing. It also supports initiatives such as Worcestershire Works Well, a free accreditation scheme supporting businesses to improve the health and wellbeing of their employees, in turn increasing profitability and productivity.

Financial Management

12. Strengthening financial management remains a key strand of the Strategic Leadership team and the wider management team's agenda. Our Finance Service continues to support all directorate and Strategic Leadership Teams as well as Chief Officers Group relating to financial management including challenge and value for money. Through this work I am pleased to report back today several improvements over the last 12 months which have contributed to this and ensured we have a good financial position and are aware and able to forward plan to meet the pressures and challenges facing us.

13. We set a balanced budget for 2021/22 despite the significant disruption caused by Covid-19 and the additional income and expenditure we were responsible for managing. Importantly we are forecasting to deliver a balanced budget at year end 31 March 2022.

14. We brought responsibility for the accounts payable and accounts receivable back in-house during 2021 and have started to make significant improvements in the use and operation of the finance system. We have an ambitious improvement programme to continue this development to drive out efficiencies in the system over the next 18 months. This includes further centralisation and improvement in income and debt management which has seen £7.7 million more debt collected in 2021/22 and a £4

million reduction in our overall debt level since 1 April 2021.

15. We also brought back in the financial support and budget monitoring for schools in partnership with WCF which will strengthen our financial monitoring of our schools.

16. Our Pension Fund has returned a strong valuation of 103% despite the impact of COVID on the global economy. This is due to high performance on our asset management. We have also been investing resources into responsible investment and working with the Pension Committee to develop our Environmental, Social and Governance (ESG) policy; and we were one of the first Funds to have a Stewardship Code signed off by the Financial Reporting Council (FRC).

17. We continue to strengthen the governance of our Pension Fund in light of national recommendations from the Pension Regulator and the Scheme Advisory Board.

18. The Internal Audit service has continued to develop over the year, with a combined focus on high level assurance audits and service and school-based audits. Our audit approach has enabled us to respond to emerging risks from the corporate risk approach, whilst also providing assurance to financial and asset management, and operational services. Internal Audit has supported operational managers by certifying nine grants with a value of over £31 million, with a further 13 due before the end of the year. That is 11 more than in 2020/21

19. Our focus on risk has seen significant developments in the risk management process, with engagement from all directorates via the Corporate Risk Management Group. We have implemented new risk management software, which will be rolled out across the Council in 2022.

20. Our Appointees and Deputies team have worked with our most vulnerable clients in very different ways to give them access to their money and ensure they are financially protected.

21. We have worked with our commissioning colleagues to ensure the social care grants for providers are sent out quickly and accurately resulting in over 4,500 additional payments, whilst changing core systems and reporting, to ensure we can quickly and accurately provide the returns required by Central Government.

22. WCC Finance Service was shortlisted for two Public Finance Awards this year, for Financial Reporting and Training and Development. There was huge national competition and our Finance and Training Initiative submission relating to our excellent work with finance apprentices received the Highly Commended award in the Training and Development category.

23. The Finance call centre was established to ensure a better response to internal and external queries and takes approximately 1300 contacts per month. The response time has since reduced from six weeks to 48 hours, gaining positive customer feedback.

24. The brokerage team supports Social workers and Health colleagues to place services users with providers. In the current climate this has been particularly challenging but has gained high praise from our Health colleagues.

25. There is still more to do, and we are not resting on our laurels with several key projects ongoing for the future.

26. The Finance Improvement Programme is driving efficiencies in the way we pay and collect monies, as well as make improvements to our general ledger, training and financial regulations. This is being monitored by the Audit and Governance Committee.

27. We will continue to Strengthen our Internal Audit function further, building on peer reviews and adopting new ways of working, again monitored by the Audit and Governance Committee.

28. We are investing in our Pensions Administration function to ensure that it is robust to meet the changing and complex regulations, that will include growing our own with more apprentice opportunities for internal staff and external candidates.

Human Resources, Organisational Development and Engagement

29. Stronger communication, clearer decision making, and joined-up working are real benefits from our new design for the top three tiers of the organisation which are already being seen. We have introduced our new Chief Officer Group which is responsible for operationally delivering the plans of the Strategic Leadership Team and our Corporate Plan. This group, made up of all our Assistant Directors, has already started to make a difference, setting specific service plans (2021-22) for every functional area and setting out success measures and objectives which can be used in our annual performance plans creating a golden thread throughout the organisation.

30. We have developed our new and ambitious Workforce Strategy for 2021 – 2024 to ensure we have a workforce with the personal and collective resilience to drive us forward in these challenging times. Following extensive engagement with our recognised Trade Unions and workforce, our Workforce Strategy focuses on building a high performance and productive culture, with the right conditions, where employees are valued and supported to perform at their best. Our workforce strategy sets out clear pillars of success focusing on wellbeing, leadership, recruitment, workforce transformation and culture and an employee's promise, ensuring we have the capacity and capability to meet the needs of our communities and to benefit local people and our economy. Over the last 12 months we have made significant workforce improvements, all of which support the implementation of our Workforce Strategy.

31. We have introduced a Mandatory Learning Programme supporting the organisational cultural aims by improving the productivity, efficiency and performance of the organisation across the whole workforce. The programme is also designed to manage organisational risks around statutory areas including cyber security, safeguarding and health and safety amongst others. In our first two quarters in 2021 we have seen over 90% completion of the learning modules.

32. We have adopted a new Equality, Diversity and Inclusion strategy and policy which will ensure statutory compliance in all service areas to meet the duty placed on us under the public sector equality duty. This has seen the creation of the infrastructure (i.e. governance, equality champions, Directorate Equality and Strategic Equality Groups) which will ensure we have a future proof proposition which encourages inclusivity for all

as part of our recruitment and retention offer.

33. We have a newly agreed Apprenticeships Strategy which focusses on utilising the levy by creating opportunities for people to develop, and by providing a framework for the workforce, of all ages, to undertake relevant qualifications, helping to raise skills, performance and aspirations. In 2021 we have made significant progress with us currently having over 150 apprentices within the Council in addition to funding over 100 apprentices within wider Worcestershire businesses.

34. We have continued to focus on social media, as a key channel to share council communications during an unprecedented 12 months. Content shared on the Council's social media channels has been viewed 31.8 million times with videos produced to help tell the council's story viewed 430,000 times.

35. We have developed our integrated wellbeing approach focusing on both immediate support for employees and more long term positive and preventative approaches, within a no cost/ low-cost principle. It will benefit employees and encourage heightened levels of employee engagement, to support the development of a workplace where employees are committed to achieving organisational success.

36. We have invested in the development and training of a network of internal mental health first aiders which is designed to support all of our employees across the Council and Worcestershire Children First. Covid-19 has had and is still having a huge impact on all aspects of our lives, especially our mental health.

37. We have continued to carry out performance reviews maintaining 100% compliance. We have also introduced a career and wellbeing form focused on supporting line manager and employee conversations.

38. We are working across the organisation to develop comprehensive Workforce Plans linked to the annual Service Plans. This is essential to future succession and talent pipelines and in support of our Workforce Strategy. As a function HR have also adopted a new operating model, seeing the introduction of HR Operations Partners, who provide direct support to our service leads.

Transformation and Change

39. Following the centralisation of the Programme Management Resources in December last year, we have been focused on delivering a number of key programmes of work both at a pan-corporate level, as well as for People, Public Health and WCF. In addition to the extensive COVID activities that the team have been instrumental in leading, examples of key initiatives have included the development and ongoing work under the Here2Help Programme, Direct Payments Review, Development of the COMF programme, Smarter Ways of Working (including the return to office), SEND Reinspection, and Insourcing of Property Services.

40. The next 12 months will see a continued focus on Here2Help, concluding the People service reviews and expanding to cover E&I and Corporate. We will also reprioritise our resources to focus on driving operational enhancements through Smarter Ways of Working, which will capture reviews of performance, property and assets, digital and workforce.

41. We have made extensive improvements over the last 12 months to become more commercial and ensure contracts achieve maximum value for money. Expenditure as an Authority during the past 12 months has been in excess of £630m, and we continue to give focus to how we best ensure value for money from our suppliers at the both the point of contract and throughout the life. The Commercial function has been redesigned and the new service went live from March this year with the objective of ensuring a more effective whole life management of our commercial activity. A new three-year Procurement Strategy is being drafted and will be published for the 2022 financial year onwards.

42. Property Services was successfully insourced on 1 April 2021 with the new service designed around a Corporate Landlord Model and FM Service Delivery. Whilst feedback has been incredibly positive on service performance since that time, a number of historic challenges have been identified (particular in respect of contract performance) which we are working to address under the Property Transformation Programme.

43. In respect of our estate and assets, the accelerated disposals programme has delivered in excess of £9m in capital receipts during 21/22, and ambitious programme is being developed for 22/23 and beyond. Work is also continuing with the One Public Estate programme to optimise utilisation across all public sector partners, and identified opportunities to rationalise our portfolio.

ICT and Digital

44. Over the last year we have completed the implementation of Microsoft Teams aligned to the Council's Collaboration Strategy. This has enabled teams within the Council to have their own Microsoft Team, mailbox, and SharePoint site supporting chat, video / audio conference, and document storage / collaboration both inside the council and with external partners.

45. Throughout 2021, there has been a significant and concerning increase in cyber-attacks, including ransomware attacks, on the public sector and education organisations. The council continues to invest in a range of measures to protect our systems and the data they hold from potential attacks, with recent improvements with adopting an Enterprise Architecture approach to Cyber Security, introducing a Security Incident and Event Management System, together with offline backup arrangements.

46. Work has been undertaken to develop the strategic direction of the service, and this is articulated in several new key documents. The IT Strategy defines the technology and digital services that we will implement to enable the delivery of Council priorities and digital agenda. The Information Governance strategy describes the development and implementation of a robust Information Governance (IG) framework needed for the effective management and protection of organisational and personal information. The Data Management and Insight Strategy will help everyone in the organisation understand the value of data and their part in making the Council data driven. The Digital Strategy focused on outcomes and customer experience, providing a blueprint for how we will use technology and digital resources to achieve our business challenges and goals.

47. The service continues to deliver a range of innovative and transformational digital

solutions to support new ways of working and efficiencies, while also improving our digital offering to customers, with more services available online 24/7 through end-to-end applications and information available via the web. Through the use of our low code development platform, GIS systems, Web and Data services we have now delivered over 150 new improvement projects for the business, for our businesses, residents and communities. In recognition of the progress that we have achieved in this area, WCC were finalists for a number of awards this year, including MJ Awards – Delivering better Outcomes, Women in IT – IT Team of the year, UK IT Industry Award – Operational response to the pandemic, and Tech4Good Awards – Accessibility.

48. An independent external review on the IT service, during the 2020/2021 financial year, has been undertaken by Socitm Ltd to critically examine the current ICT environment and ICT service provision to provide insight into the size, cost, and performance of the ICT service as well as user satisfaction. The results from the benchmark identified what is working well and what needs investment and attention. It was pleasing that our scores in the IT User Satisfaction Survey were above average for all organisations recently surveyed, and above average of similar-sized authorities. In recognition of this, the council has been awarded the Socitm user satisfaction award 2021.

49. The Customer Services Contact Centre provides a first point of contact for Worcestershire resident's enquiries, offering a channel of choice - telephony, webchat, email, and online applications. The aim is to make things simple, clear, easy to use and accessible for our residents whilst supporting them. Over the last year the team has continued to deliver excellent performance against the KPI targets and has taken on several new services including, Payments & Client Charging, Care Contributions and Demand Responsive Transport Service. The team has also been an essential front-line team in supporting the delivery of our Here2Help service during the Covid19 pandemic.

50. The corporate information governance Team continues to provide assurance that the Council's arrangements ensure personal data is held securely, information is disseminated effectively and that the Council is compliant with the legal framework - notably the UK General Data Protection Regulation (UK GDPR) and Data Protection Act 2018.

Legal and Democratic Services

51. The Democratic services team have continued to provide support to members, Scrutiny bodies and other formal meetings throughout another year of the pandemic. In addition the team has worked closely with district colleagues to ensure efficient local elections in May.

52. Our legal teams have been busy supporting colleagues across the Council. In relation to our commercial law work, our commercial law model is being modified and is taking a far more structured approach to supporting contract preparation, advice and management. This is largely due to demands from more complex and high value instructions being generated by the organisation.

53. Our team of specialist debt collection lawyers are now bedded down and are making strong inroads in the organisation's ability to collect and realise unpaid debts and receivables.

54. The childcare team has had an enormously busy quarter. If completing cases are maintained at the current rate we will have completed nearly 150 cases by the end of the financial year. The last six months has evidenced a 100% increase in cases since the start of the pandemic.

55. In addition the team achieved 'Commended' in the In House Legal Operations Team of the Year category at The Lawyer awards ceremony.

Worcestershire Children's First

56. We are delighted with the progress made by Worcestershire Children First, our wholly owned company, in delivering Children's Services across Worcestershire. WCF has been in operation for nearly 3 years and there continues to be strong working relationships and collective ownership in improving outcomes for children and young people. The joint appointment of WCF's Chief Executive and Council's DCS in June 2021, provides continued stability in leadership and maintains the direct line to the Council's Chief Executive and the Corporate Governance arrangements e.g., Strategic Leadership Team, Council and Cabinet which has worked well since formation of the company, where others have followed this model.

57. WCC and WCF is a true partnership ensuring services are in the right place to add the most value and delivered efficiently to deliver our shared outcomes for our 'customers'. WCC provide a range of services to WCF through service agreements that promote consistency and efficiency where this is appropriate and in business planning WCF and WCC have key areas of joint developments in Early Help and Services to children and young adults with a disability and additional needs

58. Through the regular DfE reporting this year and Ofsted inspections along with the routine performance monitoring at WCF's Board, through Council Overview and Scrutiny and commissioning arrangements the journey WCF has made in improving the quality of services to children and families is evident.

59. WCF has proved itself to be a financially efficient company. Therefore, the council remains committed to this service delivery model although the statutory direction was lifted on the 5 November 2021. Further details of the service achievements and outcomes are contained in the Leader's report on this agenda and are therefore not repeated here.

People and Communities

60. Our vision and strategy for Worcestershire's People and Communities is to modernise council services to best meet peoples' needs; to shape the care market so that services and support maximise the way in which people live their lives; all underpinned with an ethos of a person-centred approach – focused on enabling and improving people's health, wellbeing and independence.

61. We've made significant progress against these priorities during the past year. This is important in strengthening relationships across Adult Social Care, Worcestershire Children First, Community Services, Public Health and wider partners, including the NHS

and voluntary and community sector organisations. The establishment of Integrated Care Systems will further embed collaborative working and governance models for joint-partnership approaches to service delivery.

62. We also provided significant support to the Covid-19 response, including supporting and protecting those most vulnerable in society. Adult Social Care ensured that all customers were risk assessed and regularly contacted during periods of isolation. Whilst some authorities in the region were required to relax their duties under the Care Act, Worcestershire managed to sustain all of its duties. Social work and social care staff worked tirelessly and effectively to ensure Worcestershire's most vulnerable residents remained supported and protected.

63. We re-integrated the adult's mental health social work practitioners and undertook a review on how best to deliver this service in a joined-up way – resulting in this being embedded within our wider adult's social care offer. We're also working closely with Worcestershire Children's First to provide a joined-up offer for children, young people and young adults with disabilities during 2022/23.

64. Following a significant investment from the Better Care Fund, the Council was able to significantly increase its front-line social care workforce which is supporting the reablement and rehabilitation of residents – focused on enabling them to maintain or regain their independence at home, following a stay in hospital.

65. It remains the priority of Adult Social Care that the most vulnerable individuals are protected and supported. The full implementation of the 3 Conversation model has seen significant benefits in relation to promoting self-reliance and demand management.

66. Nationally, budget pressures remain a concern as demand continues to escalate at pace for care services, and increased levels of additional care needs (complexity) are identified. There are significant market challenges, further impacted by "post-covid" requirements for mandatory vaccinations and staff shortages nationally and locally. Adult Social Care has seen a significant increase in demand for social care support and this is forecasted to increase further with service demand and unit costs increasing leading to budget pressures. This includes:

- People receiving care has increased by 5% since March 2021 and there is an estimated further 4% increase in funded services over the next 12 months.
- There has been a steady increase in placements for those with Mental Health concerns, over the last five years.
- Social work contacts for existing clients have increased by 25% and 17% for new clients. This demonstrates that people are requiring increased professional input and support, including advice and information during the pandemic and that we now have a significant number of new clients placing increased demand on adult social care.
- 27% increase in safeguarding concerns, which is expected to continue to rise - resulting in additional staffing requirements. Analysis of this demand showed that these concerns were not specifically covid related but an overall increase in all areas.
- 10% increase in conversations and people needing adult social care support in Q1 compared to Q4, requiring further analysis. Baselineing has now been agreed

to develop a greater understanding of the impact of the conversations in diverting demand on services.

67. We have seen an Acute Hospital System under increasing pressure which has had an impact on the level and type of services we provide to support people following a hospital admission. A key objective in 2022 will be to maximise opportunities to actively work with our citizens to avoid hospital admission and promote access to reablement.

68. The focus of our work with communities over the past year has been on implementing our response to Covid-19, with staff moving from their permanent roles to work in new areas responding to the needs of the community and the organisation. A clear example of this was the creation of the new Here2Help service which continues to offer support, through the use of volunteers and re-deployed staff to Worcestershire's residents throughout the pandemic. We are continuing our journey of libraries transformation and have increased the on-line offer and access to on-line resources is at a record high, with 10,650 new digital members joining since April 2021.

69. Following a pause, due to Covid-19 restrictions, in marriages, our registrars service is now on track to marry an unprecedented number of couples, with over 1200 marriages and civil ceremonies already performed since April and many more booked for the remainder of the year and next year.

70. 160 new businesses are now engaged employers to work with education providers to support young people in getting job experience and over £3.3m additional grant funding has been secured to support Worcestershire's Skills agenda.

Economy and Infrastructure

71. The E&I Directorate has continued to be heavily involved in respect of the Council's emergency response to Covid-19 including supporting businesses impacted by the pandemic. During 2021 we transitioned from immediate Covid-19 response to supporting the re-opening up of our economy, playing a key role in signposting businesses to Government schemes and initiatives. This has continued to be delivered within existing resources and is work in addition to the normal day job and under circumstances where the use of remote working and digital technology were the only solutions available

72. Staff have continued to go above and beyond in supporting emergency responses from Covid-19 to flooding, to continuing to deliver progress against our key strategic projects and investment sites. We've demonstrated clear ambition for Worcestershire, both in its recovery from Covid-19, to investing in its long-term future on key employment and transport sites.

73. We know the next year will likely be just as challenging as this one, but we've proven we have the structures, relationships and leadership necessary to manage it and support Worcestershire to thrive. Next year will see a refreshed Corporate Plan – ensuring we continue to focus on delivering against Worcestershire's key priorities.

74. Covid-19 challenges will continue, alongside increased demand for our services. We will continue to review our operating model, to ensure it can meet these challenges whilst ensuring it is as efficient and effective as possible – maximising the resources we have.

75. Finally, we know One Worcestershire will be more important than ever. We will continue to build on the already strong relations we have with our partners, and fundamentally understand how we can best work together to provide services and support to Worcestershire's residents, communities and businesses.

Paul Robinson
Chief Executive
January 2022

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COUNCIL
13 JANUARY 2022**ANNUAL REPORT OF THE CHAIRMAN OF THE OVERVIEW
AND SCRUTINY PERFORMANCE BOARD**

Recommendation

1. **The Assistant Director for Legal and Governance recommends that the Council receives the annual report of the Chairman of the Overview and Scrutiny Performance Board for 2021.**
2. The Council will be asked to receive this report and to receive answers to any questions on it.
3. The next Annual Report will presented to Council in May 2023.

Supporting Information

Appendix - Annual report of the Chairman of the Overview and Scrutiny Performance Board for 2021.

Contact Point for this report

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Background Papers

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

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Overview and Scrutiny **Annual Report 2021**

January 2022

www.worcestershire.gov.uk



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Foreword

I am pleased to present this Annual Report for 2021 on behalf of the current Overview and Scrutiny Performance Board and its immediate predecessor before May's County Council Elections.

You will see that despite the pandemic and the elections, the Board and its panels have really hit the ground running since May. I pay particular tribute to the panel chairs who have quickly established excellent protocols in structuring their meetings and this has ensured useful and evidenced based outcomes.

As a Board we have sought to provide the necessary challenge to those who hold office here at County Hall, or in partner organisations, but to do so in a way that adds value to the decision making process. Crucial in achieving this will be healthy working relationships with all Cabinet Members.

I would like to thank the Chief Executive and the Leader for being receptive to the concept of the Board and its panels, where appropriate, assisting in framing future policy. I am also delighted that the Leader and the Chief Executive have agreed to come before the Board on an annual basis.

The vast majority of councillors are involved in Overview and Scrutiny at County Hall. It is important that we utilise their huge range of skills, qualifications and life experiences. One area where this is particularly relevant is in the creation of scrutiny task groups which are commissioned to carry out discreet pieces of work. I would encourage fellow members to get involved in these groups, for they provide an excellent opportunity to make a real difference and change things for the better.

Finally, I would like to record my appreciation to my Vice Chairman for his support.

None of this would be possible, if not for the very professional support provided by the small officer team who ensure that the scrutiny process here at County Hall is member led, which is of course as it should be.



Tom Wells
Chairman, Overview and Scrutiny Performance Board

Introduction

The impact of COVID-19 has continued throughout 2021 affecting people's daily lives and Worcestershire County Council has continued to support its residents and businesses through this emergency.

This Report marks the conclusion of the activities of Overview and Scrutiny over the last four years of this Council. It is therefore the appropriate time to thank the members who have served on Scrutiny during their time in office. Thanks also go to those members who have contributed to Overview and Scrutiny who did not stand or get re-elected in the May County Council election and this includes both Scrutiny members and members of the Cabinet who have supported Scrutiny.

Following the elections in May, Scrutiny welcomed a number of new Members and all but one of the Scrutiny Panels have new Chairmen/Vice-Chairmen.

This Report highlights some of the key pieces of work from the past year undertaken by the Scrutiny function of the Council. A diagram showing where Scrutiny fits in the governance of the Council is enclosed at the appendix. Details of the membership of scrutiny bodies and their [meetings](#) are on the Council's website.

Overview and Scrutiny Performance Board (OSPB)

The primary role of the Board is to co-ordinate the work of the Scrutiny Panels. However, it has also considered a range of issues in 2021, generally focusing on strategic Council-wide matters.

Induction

Following the County Council elections in May, a programme of induction and training was held for new and returning Scrutiny Members. The induction training was a mix of training provided by the Centre for Governance and Scrutiny (CfGS) and in-house covering:

- Scrutiny essentials (for all scrutiny members)
- Chairing and Leading Scrutiny (for all scrutiny chairmen and vice-chairmen)
- Scrutiny of Adult Social Care and its relationship with Health Scrutiny
- Health Scrutiny and how it links to Integrated Care Systems (ICS), Health and Wellbeing Board and Adult Social Care.

The training was well received and has provided the back-drop for Scrutiny to get underway in the new Council.

Scrutiny Annual Work Programme for 2021/22

The Scrutiny Work Programme was drawn up following consideration by each Panel, so that their individual priorities could be taken into account. The work programme was endorsed by [Council](#) in September 2021.

Scrutiny of Other Agencies

The Board met with representatives of the Worcestershire Local Enterprise Partnership (WLEP) to receive an annual update on the achievements of the WLEP over the last 12 months and to understand the strategic objectives for the forthcoming year.

Community Safety

As the Council's designated statutory Crime and Disorder Scrutiny Committee, the Board meets on an annual basis with Crime and Disorder partners, to discuss issues of mutual interest. This year, the Lead Member for Community Safety, Cllr Richard Udall, led the Board in this meeting and in addition to considering the community safety issues affecting Worcestershire, there was also a focus on the Domestic Abuse Act 2021.

At a later meeting, the Board also considered how the County Council could support its Councillors to empower communities to manage speeding.

Budget 2022/23

The Board will collate views on the draft budget for 2022/23 at its meeting in January for consideration by Cabinet early February 2022. The Scrutiny function has maintained its approach to monitoring and challenging service and budget performance this year. Regular updates are included in each Panel's work programme and this has led to some 'deep dive' work being undertaken to follow up queries. This has helped Panel Members to be proactive when scrutinising the budget and to develop a deeper understanding of the services.

In November, the Overview and Scrutiny Panels started to look at the emerging budgetary pressures and challenges for services and initial comments have been submitted to the Cabinet for consideration.

Adult Care and Well Being Overview and Scrutiny Panel

2021 commenced with scrutiny of the Council's budget for 2021/22 and given the context of COVID-19, the Panel was reassured by the significantly improved budget position for Adult Services. The People Directorate is working hard to manage budgets through greater understanding and management of projections for demand for services as well as partnership working, although it will remain to be seen how the situation evolves as the country emerges from the pandemic. The panel is also very supportive of the People Directorate's review of the funding arrangements between Worcestershire County Council (the Council) and Herefordshire and Worcestershire Clinical Commissioning Group to ensure that funding arrangements are appropriate, allocated fairly and follow national best practice.

Adult Services now forms part of the new Directorate for People and the Panel has therefore kept abreast of the Strategy and workstreams underpinning the new structure and is supportive of its approach and objectives.

Representatives from Healthwatch Worcestershire, Speakeasy N.O.W. and the wider voluntary and community sector have attended several public meetings including the discussions about services and plans for carers and the updates about the consultation and plans for day opportunities for those with learning disabilities - this has provided important feedback and helped to shape feedback to the Cabinet Member and Senior Officers. For example, when looking at the Worcestershire All Age Carers Strategy, the Panel took on board carers' requests that the final document be clear and accessible to carers.

Regular performance monitoring has continued to be a useful tool in helping to identify areas for further scrutiny. The Panel has chosen to add new data where appropriate such as on customer feedback and complaint monitoring. Through performance monitoring, the Panel has been pleased to see that the Council's expanded reablement service is starting to have an impact; the number of older people staying at home following reablement is linked to good reablement services and there is a reduction in numbers of people going into nursing and care homes.

Care work as a career was subject to in-depth scrutiny in 2020 and regular updates have been provided on the care market, which unfortunately is in an even more vulnerable position due to the pandemic and the Panel is very concerned that ongoing pressures and lack of recognition will lead to the loss of good, motivated care workers.

The Panel is pleased with the now well-established strengths-based approach to social work, which has removed unnecessary bureaucracy to enable social workers to work with and listen to people and find support for them within local communities. An example of support in the community is dementia centres, and the Panel has learned about the benefit they provide for people with mild to moderate dementia living at home, and some members have visited a local centre.

Children and Families Overview and Scrutiny Panel

The Panel's work this year has ranged widely and has covered both the education and social care aspects of its remit.

The Panel started the year by hearing about the continuing impact that COVID-19 was having on education across Worcestershire, with schools working remotely for the majority of children at the same time as providing on-site education for vulnerable children and the children of critical workers, a situation that continued until March. Members were keen to understand the pressures on children, school staff and families and were concerned about the potential impact on the mental health of young people and teachers.

In order to further understand the situation in schools the Panel invited two headteachers (one primary and one secondary) to attend its March meeting. The insights given by the headteachers - which included the results of an informal survey of 71 primary headteachers - provided Members with a clearer view of schools' experiences through the pandemic and the impact of the support provided by Worcestershire Children First (WCF).

Following six monthly updates throughout 2020, the Panel considered the final proposals for the new delivery model for medical education provision ahead of final agreement by Cabinet. Members look forward to hearing about the implementation of the model in the coming year. The Panel also received the Annual Report of the Worcestershire Safeguarding Children Partnership and thanked the outgoing Independent Chair of the Partnership for his effective chairmanship and facilitation of partnership working.

As with other scrutiny panels, the Children and Families Panel saw a major change in membership following the County Council elections in May, with only two Members remaining from the previous Panel and a new Chairman appointed. The Panel has also welcomed a new Parent Governor Representative for the primary phase and a new Church of England co-opted Member, with the previous Church Representative (Bryan Allbut) having stepped down in September.

In the second half of the year, the Panel discussed the WCF Social Care Placements Sufficiency Strategy, the Year 1 Evaluation and Future Development Plans of Supporting Families First, the continuum of Early Help in Worcestershire, and developments relating to Vulnerable Learners (including Children Missing Education, Elective Home Education, young people who are at risk of becoming Not in Education, Employment or Training, and Alternative Provision).

The Panel also welcomed colleagues from Herefordshire and Worcestershire Health and Care Trust and the Council's Public Health Team to a meeting to discuss the 0-19 Prevention and Early Intervention Service (Starting Well), a service that the Panel has received regular updates on in recent years.

At its September meeting, the Panel heard from a member of the public about concerns relating to home to school transport. Two Panel Members were asked to look into the subject and they reported their findings back to the Panel once their investigations were complete. Throughout the year Members have closely monitored performance indicators and in-year budget information on a quarterly basis.

Corporate and Communities Overview and Scrutiny Panel

This year, the Panel has looked a wide range of topics, including the Council's commercial and procurement work, apprenticeships, the Here2Help Scheme and how the Council has adapted work patterns and communication during the pandemic.

As the year opened with scrutiny of the 2021/22 Budget, the Panel congratulated the Finance Team on their hard work to achieve the budget in extremely challenging circumstances with COVID-19 and remote working. It was a clear Budget that was easy to understand and with a helpful focus on the exceptions.

Early on in the year, the Panel considered the changing arrangements for facilities management, following the dissolution of Place Partnership Limited. In particular, the Panel sought to understand the detail of the changes taking place, the benefits which the Council would obtain from the new arrangements and how the staffing issues were being handled.

The pandemic has meant a massive change to working environments for Council staff, with remote working becoming normal for the bulk of 2021. There are positives and negatives to this shift, but the Panel has taken the opportunity to highlight the potential significant reduction in the organisation's use of paper, with the digital means of communications readily available. It is understood that the Directorate of Commercial and Change will be seeking to retain the increased use of digital technology but needed to explore ways in which this could be achieved with resilient, productive and safe ways of working. The theme of smarter, greener and efficient working will continue on the Panel's work programme for 2022.

The Council's Here2Help Scheme has been very well received and the Panel is really pleased that it has evolved to offer advice, support and help on a wide range of services across Worcestershire. During an update this year, the Panel sought assurances around the increased reliance on the voluntary and community sector and made some suggestions about access to the Directory which it is hoped will be helpful moving forward.

The Panel has used the quarterly performance monitoring information it receives as a focus for some of its scrutiny, and recently this prompted a letter to Herefordshire and Worcestershire Clinical Commissioning Group to encourage timely completion of death certificates to help Registration Services meet its statutory target of registering deaths that are not referred to the Coroner within 5 days.

The Panel was interested to be updated on the Worcestershire Apprenticeship Strategy 2020-2023. Members learned that it was more difficult to attract external candidates to apprenticeships and therefore suggested that a promotional/information pack covering apprenticeships and traineeships could be developed for Councillors to share with local businesses. Moving forward, key performance indicators would also be included in the Panel's quarterly performance monitoring.

The Member Query Case Management system is a new facility for councillors which allows them to manage issues raised on behalf of residents and provide an oversight of progress made in resolving those issues. The Panel will continue to maintain oversight as the new system is used.

The Councillors' Divisional Fund is another councillor provision which the Panel is updated on, and the update in July indicated that the scheme continues to work well, and in general members have been very supportive and appreciated the opportunity to decide where to allocate funding. A guidance note on this scheme for councillors was requested, to provide advice in particular for new councillors.

The Panel received regular updates on performance monitoring of compliments, comments and complaints, and has this year requested further work to compare the Council's performance with other comparable local authorities and a further update on performance of Stage 2 Children's Social Care complaints completed inside 65 days and Stage 2 Corporate complaints in 25 days.

Economy and Environment Overview and Scrutiny Panel

The Panel has had an active year, despite the ongoing challenges of COVID-19. Early in the year, focussing attention on the local economy, the Panel had requested an update on the Council's support for businesses during the pandemic. The Panel was pleased to learn of the partnership working on a recovery framework and the level and range of support and grants that were available to local businesses. In September, the Panel followed this up with an evaluation of the impact of the pandemic on the economy and a more detailed review of the Council's wide-ranging work in continuing to help businesses to recover and grow. The Panel look forward to a further update in 12 months. The Panel also received an interim update on the rollout of superfast broadband and are looking forward to a full annual update in the Spring.

The Panel decided that a Budget Task Group would be established to drill down into budget variances over the last year and provide a detailed steer for the Panel for its approach to the scrutiny of the 2022/23 Budget. At the end of 2021, this work was coming towards an end, with a meeting planned in early January for members to formulate their approach to the scrutiny of the Budget proposals. Following its November meeting, the Panel recommended to the relevant Cabinet Members that the additional funding allocated this year for flooding, drainage and gully clearance works, as well as for repairs to footways and public rights of way, be continued next year.

The Panel received a Highways Operations update report which included plans for the additional expenditure for 2021/22 for highways, footways, and public rights of way. It also covered the cyclical drainage issue which been a key area of interest for the Panel. Members welcomed the development by the Directorate of an online gully mapping system and a 'Report It' function during the year and the Panel played an active role in the live trials for both. Members were encouraged that the new system would offer a much-improved customer service.

As part of the induction process, visits were arranged for panel members to EnviroSort (the sorting facility for recyclables in Norton) and EnviRecover (the energy from waste plant at Hartlebury). This enabled Members to gain a greater understanding of the County's waste management processes and facilities and was well received.

Worcestershire had experienced notable flood events in December 2020, January 2021, and June 2021, with the January flood being by far the most significant. An annual update on flood risk management was considered by the Panel along with partners from Severn Trent Water Ltd, South Worcestershire Land Drainage Partnership and North Worcestershire Water Management. The Panel had been encouraged by the work that had been able to be completed during the year which had been boosted by the additional funding that had been allocated for flooding alleviation and drainage gully clearance works.

Health Overview and Scrutiny Committee (HOSC)

Throughout 2021, the COVID-19 pandemic has clearly continued to present a significant challenge to local and national health services. The Committee has recognised the enormous commitment of all the organisations across the health system in responding to COVID-19 and has been impressed with how the system is working together to restore services affected by the pandemic alongside the ongoing vaccine campaign.

The Committee has been very busy over the last year and has had additional meetings (where necessary) to meet its ongoing priorities. Some of the areas that HOSC has looked at this year are:

- Monitoring of temporary service changes to health services such as the changes to the opening hours of the County's Minor Injury Units' (due to staff redeployment) and the temporary relocation of the Garden Suite Ambulatory Chemotherapy Unit (from the Alexandra Hospital in Redditch to Kidderminster) to ensure ongoing chemotherapy provision
- The West Midlands Ambulance Service's (WMAS) Strategy in relation to community ambulance stations (CAS), in order to gain an understanding of the rationale behind the plans, which included the closure of a number of CAS. The Committee, whilst satisfied that ambulance operations and capacity would not be affected, expressed its concern that greater informal consultation with public about would have been helpful and reassuring
- The Worcestershire Covid vaccination programme which has been acknowledged to have been overwhelmingly successful. HOSC has sought assurances about provision for those residents who are housebound and the ongoing promotion of the booster
- Mental Health Services which is a continued concern for the HOSC, in terms of the potential impact of the pandemic. An initial update was provided about mental health services in general in September and while it is understood that early indications suggest a decline in average mental health (although an improving picture), mental health remains on the Committee's work programme – including dementia, the impact of Covid on children and young people, preventative measures (for example peri-natal mental health) and mental health needs assessments
- Maternity Services have come under scrutiny following an inspection which changed the overall rating for the Service from Good to Requires Improvement. While the HOSC was satisfied with progress made by the Acute Hospitals Trust to address the concerns, this remains on the work programme for further monitoring

- The likelihood of increases in referrals from unmet need during the pandemic and treatment backlogs for diagnosis and treatment. Pressures on GP services are national and concerning, however the HOSC was pleased to hear how cloud-based telephony systems will result in more telephone lines being available for the public to get through. HOSC was also interested to learn that many patients like the telephone/online appointments and without the COVID-19 pandemic, the digital transformation programme would have taken years to achieve
- Preparedness for winter pressure – the Committee heard about the plans for this year’s winter and was reassured about planning processes although it is clear that there are severe system-wide pressures, for example from workforce fatigue and pressures on the Emergency Department.

The final piece of scrutiny for 2021 examined the issue of significant ambulance handover delays at the county’s hospitals, which was highlighted to the Committee by the Ambulance Service itself and is recognised as an increasing national problem. Representatives from organisations across Worcestershire’s health and social care sector were invited to a ‘select committee’ style meeting, where discussion with each organisation took place in turn, and a summary report on findings is due to be finalised by the HOSC in the new year.

Feedback from Healthwatch Worcestershire has been very helpful over the year, for example on people’s experiences of accessing GP appointments, the vaccination programme and leaving hospital during the pandemic.

Looking ahead to 2022, the Committee will continue to keep abreast of the development of the Integrated care System (ICS) for Herefordshire and Worcestershire.

Scrutiny Task Groups

The Council’s Energy Purchasing Arrangements

At a budget monitoring discussion of the Economy and Environment Overview and Scrutiny Panel in November 2019, the Panel was advised of a cost pressure relating to street lighting. Following initial research, it was agreed in July 2020 that a Task Group would be set up ‘to review the Council’s energy purchasing arrangements from West Mercia Energy (WME) to ensure best value for Worcestershire County Council’. The Group reported its findings in January 2021 to the OSPB and to Cabinet in February 2021.

Child and Adolescent Mental Health Services (CAMHS)

A Scrutiny Task Group to look at Child and Adolescent Mental Health Services (CAMHS) was set up in early 2020 with the terms of reference ‘to investigate access to and the availability of appropriate mental health services for children and adolescents’.

The Task Group was only able to meet once before the national lockdown in March 2020. As health partners were required to focus on the response to the pandemic, the scrutiny was therefore put on hold but remained on the scrutiny work programme.

In July 2021 OSPB refreshed its scrutiny work programme and agreed that the CAMHS Task Group should be re-started in the Autumn, after the proposal had been reviewed to ensure that it was still relevant.

A first meeting of the Task Group has just taken place in December, at which they received an overview of the mental health and emotional well-being of children and young people in Worcestershire and the services available to support them.

The Task Group discussed some initial ideas and will now develop their schedule of activity to take this matter forward.

Developer Funded Highways Infrastructure

A Scrutiny Task Group is underway to look at developer-funded highways infrastructure, which is infrastructure which involves changes being made to public highways. Examples include new or changed access into a development site (i.e. a bell mouth, roundabout, signalised junction, right turn lane or a simple priority junction).

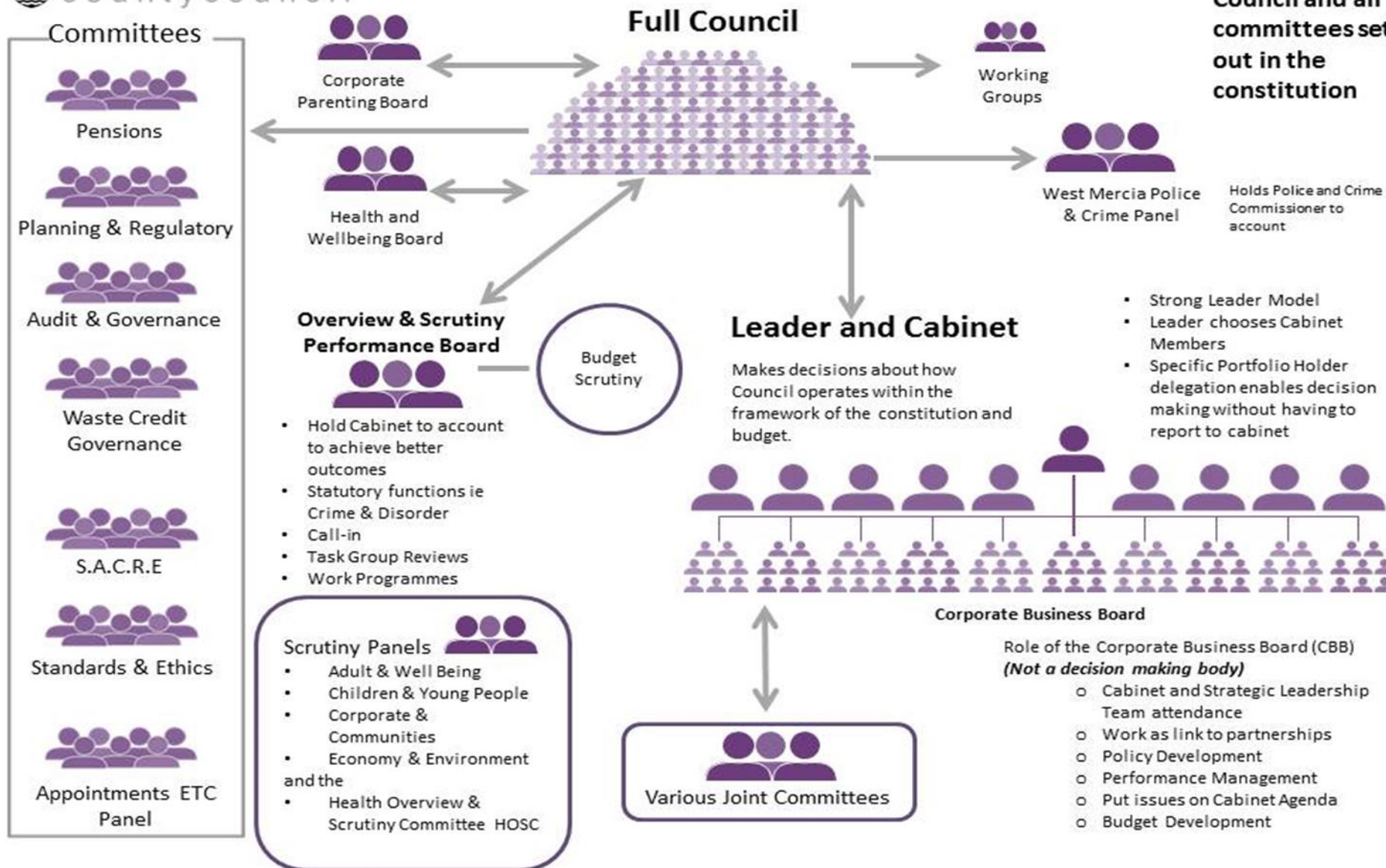
The Council's Economy and Environment Overview and Scrutiny Panel has expressed concern for some time about the time taken for developer-funded highways infrastructure works to be completed and has monitored progress as part of the Panel's regular performance monitoring. Specific areas of concern include the length of the overall process and the time taken for the Council to approve planning submissions from developers.

The Directorate of Economy and Infrastructure is reviewing processes and the aim of the Task Group work *is to understand how these are progressing, and to make recommendations for further improvement.*

The delay in completing developer-funded highways infrastructure works impacts on local communities, road users and businesses, therefore this has identified this area as a priority for further scrutiny. Task Group members are gathering background information from the Council's development control officers, and the scrutiny will encompass discussions with developers, planners and other councils to look at best practice and what has helped elsewhere.

Governance Model

Role of Full Council and all committees set out in the constitution



Further copies of this report are available from:

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This document can be made available in other formats (large print, audio tape, computer disk and Braille) on request from the Overview and Scrutiny Team on telephone number 01905 844963 or by emailing scrutiny@worcestershire.gov.uk

COUNCIL
13 JANUARY 2022**QUESTION TIME**

Question 1 – Lessons learned from the Arthur Labinjo-Hughes case

1. Cllr Josh Robinson will ask the Cabinet Member with Responsibility for Children and Families:

"Following the tragic murder of Arthur Labinjo-Hughes, can I ask what lessons our council will learn from this?"

Question 2 – Spitfire Homes development in Eckington

2. Cllr Adrian Hardman will ask the Cabinet Member with Responsibility for Highways and Transport:

"Can the Cabinet Member with Responsibility for Highways and Transport use his executive powers to suspend Spitfire Homes statutory right of access to the Highway, and that of their contractor, Healey's? if they continue in the way they have been behaving; the damage to Eckington and surrounding area and it's businesses will be considerable. I would suggest a 2 year pause on the site to allow Eckington business's to recover."

Question 3 – Holiday Activities and Food programme

3. Cllr Lynn Denham will ask the Cabinet Member with Responsibility for Children and Families:

"The government established a Holiday Activities and Food (HAF) programme for summer 2021. This was in response to Marcus Rashford's campaign to try and prevent children going hungry during school holidays. In a report to Worcestershire County Councillors in Autumn 2021, we were told that the summer HAF programme in Worcestershire reached '3,252 different children and young people'. Could the Cabinet Member with responsibility for Children and Families tell us what percentage of children eligible for free school meals participated in the summer programme? I would be grateful if he could be split by a) primary school age (Years 0 to 6) and b) senior school age (Year 7 and above)"

Question 4 – Disabled Parking Spaces

4. Cllr Lynn Denham will ask the Cabinet Member with Responsibility for Highways and Transport:

"Following my question to Cabinet Member for Highways and Transport at Council on 11 November 2021, we now know that people are having to wait a very long time to get a disabled parking space. He said there is a five month wait to even begin the TRO process which itself takes over six months. I have been told that demand for disabled persons parking spaces has increased and that there are a large number of TRO's waiting for consultation. How many disabled people are waiting across the county to get the parking space they are eligible for? How many people have waited more than 18 months from eligibility to installation?"

Contact Points

Contact Points for this report

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Background Papers

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

COUNCIL
13 JANUARY 2022**REPORTS OF COMMITTEES****(a) SUMMARY OF DECISIONS TAKEN BY THE AUDIT AND GOVERNANCE COMMITTEE**

Statutory Accounts 2020/21 Progress update

1. Following the delegations agreed at the Committee meeting on 24 September 2021, it has unfortunately not been possible to complete the Accounts sign off as anticipated. Late technical queries nationally relating to local government weaknesses particularly around accounting for capital meant further audit testing was required. As such an updated Audit Findings Report (AFR) from the external auditor and the Council's accounts has been re-presented to the Committee for sign off. There are principally a few changes to the accounts presented at the September Committee to the Notes and one Statement – The Group Movement in Reserves (MIRS).
2. Nationally the deadline for the Value for Money (VFM) opinion has been deferred from the end of the 2021 calendar year and is now 28 February 2022. There remains, as planned, some audit fieldwork around the completion of the VFM conclusion and the Whole of Government Accounts statistical return before the Audit Certificate can be issued.
3. Since the last report to Council, the audit process has continued with further queries arising from the Council's external auditor, Grant Thornton's ethical and technical reviews performed in addition to the fieldwork completed by the external audit local team over the summer months. The very late audit testing requirements brought in the final week before the deadline were in response to findings at other councils (Slough and Croydon) relating to weaknesses in capital financing and reporting. There are two main issues that have arisen from this late review and both are reflected in Grant Thornton's AFR, they are:
 - a) The treatment of the financing of the energy from waste site has been amended, but note comments below about the exceptional nature of this; and
 - b) The accounting treatment of two sites when calculating the Minimum Revenue Provision (MRP).

4. Grant Thornton's technical team identified that Worcestershire County Council have not included the PFI liability for the Mercia Waste sites within its Capital Financing Requirement (CFR). In previous years, the CFR was reduced by the value of the PFI Liability to show the waste contract was already financed. It is recognised that the Council's arrangement is unique, and following the additional technical audit review the Council has agreed to amend this disclosure, showing separately the CFR and the Council's underlying need to borrow. There have been a number of consequential disclosure amendments which have been made as a result of this. There are no changes to the Council's balance sheet as a result of this change.

5. The second issue relates to the MRP, that is the minimum amount which a Council must charge to its revenue budget each year, to set aside a provision for repaying external borrowing (loans). Grant Thornton have carried out significant additional further testing of WCC's approach to calculating its MRP. In just two instances they have found that the calculations may be understated. These are both concerning PFI assets where the Council has assessed the asset life as 90 years. The Council's policy for 2021/22 will be reviewed, however the adjustments themselves are not material and as such the accounts have not been amended to take this into account.

6. The 2020/21 Statement of Accounts, presented to Committee meeting on 24 September 2021, has been updated for the following disclosure items, as agreed with our external auditors: Capital Financing Requirement (CFR) and Minimum Revenue Provision (MRP); Details of payments due to be made under Private Finance Initiatives (PFI) contracts; Fair Value of Assets and Liabilities; Cashflow Statement: Investing Activities; and Group Movement in Reserves Statement (MIRS).

7. After the Committee report had been published for the Committee meeting on 3 December, the external auditor made the Council aware of a new technical issue that had arisen on another Authority's external audit in relation to the way in which Place Partnership Limited (PPL) had been recorded in their draft Accounts. Grant Thornton is the external auditor for each of the local authority shareholders of PPL, and under its commercial arm is also the external auditor of PPL. Notwithstanding that Worcestershire County Council is required to account for PPL in consideration of its own materiality levels and relevant accounting standards, each organisation has adopted different accounting treatment that although signed off in prior years, Grant Thornton will re-examine the accounting treatment across all organisations before signing off the 2020/21 Accounts. Worcestershire County Council is ahead of the other organisations in its external audit process and therefore are first to be affected by this late issue. Currently, PPL has not been fully consolidated into the County Council's accounts as a Joint Operation. The external auditor felt that this approach was inconsistent with the approach of other partner organisations and whilst recognising that there was no material impact on the Council's Accounts, there may be a need to make further disclosure information available pending their review.

8. The Committee has noted the updated Audit Findings Report. The Committee has noted the Final Accounts Pack at Appendix 2, including the Statement of Accounts for the financial year ended 31 March 2021.

9. The Committee has authorised the Chairman, in consultation with the Vice-Chairman of the Committee and the Chief Financial Officer, to approve the Final Accounts Pack including the Statement of Accounts for the financial year ended 31 March 2021 at the conclusion of residual audit fieldwork and on the basis that there are no material changes to the primary accounting statements reported at Appendix 2 (Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and Cash Flow Statement). Since the Committee meeting on 2 December, the external auditor has indicated that they are satisfied with the way in which PPL has been recorded in the draft Accounts with no changes necessary. The Final Accounts were signed off by the external auditor on 9 December with an unqualified opinion. The Council was the 5th County Council to be signed off.

10. The Committee has authorised the Chief Financial Officer to sign the Letters of Representation on behalf of the County Council once the Final Accounts Pack is approved.

11. Subject to the approval of the Worcestershire County Council Statutory Accounts 2020/21 by the Chairman in consultation with the Vice-Chairman, the Committee has authorised the Chief Financial Officer to arrange for the Annual Governance Statement 2020/21 to be formally signed by the Chief Executive and Leader of the Council

Appointment of External Auditors

12. Under the Local Audit and Accountability Act 2014, the Council is required to appoint an auditor to audit its Statement of Accounts each financial year. The external audit of local authorities was previously a responsibility of the Audit Commission, established in 1983 for this purpose. The Local Audit and Accountability Act 2014 abolished the Audit Commission as at 31 March 2015 and its functions have since been delivered via the Public Sector Audit Appointments (PSAA), National Audit Office (NAO), Financial Reporting Council (FRC) and the Cabinet Office.

13. The Council's current external auditor is Grant Thornton UK LLP and this appointment covers the period up to and including the audit of the 2022/23 accounts. The Council opted into the 'appointing person' national auditor appointments arrangements established by PSAA for the period covering the accounts for the five-year period from 2018/19 to 2022/23.

14. PSAA is now undertaking a procurement for the next appointing period, covering audits for 2023/24 to 2027/28. During Autumn 2021, all local government bodies need to make important decisions about their external audit arrangements from 2023/24. They have options to arrange their own procurement and make the appointment themselves or in conjunction with other bodies, or they can join and take advantage of the national collective scheme administered by PSAA.

15. If the Council wishes to take advantage of the national auditor appointment arrangements, it is required under the local audit regulations to make the decision at full Council and a final report will be brought to the 17 February Council meeting. The opt-in period starts on 22 September 2021 and closes on 11 March 2022. To opt into the national scheme from 2023/24, the Council must return completed opt-in documents to PSAA by 11 March 2022.

16. The Council may elect to appoint its own external auditor under the Act, which would require the Council to: establish an independent auditor panel to make a stand-alone appointment; and manage the contract for its duration, overseen by the Auditor Panel. Alternatively, the Act enables the Council to join with other authorities to establish a joint auditor panel. Again, this will need to be constituted of wholly or a majority of independent appointees. The recommended approach is to opt in to the national auditor appointment scheme.

17. The Committee agreed that the opt in to the national auditor appointment scheme was the preferred approach for the appointment of external auditors on the basis of the reasons set out in the Committee report and these comments would be incorporated in the report to Council in February.

Internal Audit Progress Report

18. At the end of November 2021, the audit plan included 84 work items. 14 assurance and advisory audits are currently underway or completed with a further 36 planned for the remainder of the year

19. The grant certification work supports the Council in ensuring that money claimed from government agencies is correctly accounted for, and the audit team works closely with operational teams to deliver this. 9 grants with a total value of £31.5m have been certified as accurate to date. 6 grants are currently being audited with an income value to the Council of £43.8m..

20. Fraud and irregularity reports continue to be received via the hotline and internal staff reporting. Of the 12 cases received, 2 have resulted in fraud referrals to the police. The Council continues to engage with the National Fraud Initiative programme, providing key data sets to the Cabinet Office to enable matches to be identified and investigated. The 2020/21 review is underway, with all Blue Badge data reviewed with no issue. Over 70% of Pensions queries have been completed resulting in £860 being recovered. Significant progress has been made in developing key standards to assist in future reviews. A significant increase in engagement with staff on fraud awareness has been undertaken via the online platform Yammer. Alongside this an Anti-Fraud mandatory training module is included in the quarter 3 employee training programme. The Committee has noted the Internal Audit progress report.

Finance Improvement Programme

21. The Finance Team undertook an improvement programme following the learning around the introduction of the new general ledger and purchasing system (E5) in 2018/19. As a result of that programme a number of improvements were made to the way the accounts were produced, the use of collaborative planning as a front end-user tool for budget monitoring, the way files were processed between Liberata and the Council, as well as performance and standardised reporting.

22. During 2021 the responsibility for accounts receivable, accounts payable and schools finance have transferred back in-house from Liberata. The E5 owners (Advanced) have also informed the Council that they will no longer support the current version of our general ledger and as such it needed to be upgraded to the latest version. The Team is also continuing to seek ways to generate efficiencies to meet budget targets (both in Finance and across the Council) as well as ensuring the Council can develop its workforce. Finally, the impact of the Build Back Better White Paper on the way the Council works is not known but the Council is looking at ways to review the approach to working with adult care clients. A second Finance Improvement Programme has therefore been instigated.

23. The programme will include six projects aimed at releasing efficiencies in both Finance and other service areas, and facilitating 'self-serve' and 'automation': Accounts Payable; Income & Accounts Receivable; E5 and collaborative Planning; Financial Regulations; Revenue Budget Monitoring; and People. In addition, there is a seventh project that is part of a wider resources programme to review the Council's Intranet as a single point of access and learning tool for users and managers. The programme will address a series of connected projects that drive change across all aspects of how the Council work and across functions.

24. The Strategic Board is meeting every six weeks to review progress and it is proposed to bring an update and next steps report back to Committee in March with a focus on progress related to E5 and Financial Regulations with further reports brought during 2022/23 on other areas. The Committee has noted the Finance Improvement Programme report and that further updates be brought to the Committee during 2022/23.

Risk Management Report

25. The first phase of the Pentana risk management software is now fully operational and tested. The second phase is currently underway which allows for directorate risk registers to be created from clearly evidenced service risk registers. This will enable the registers to be factually based with clear lines of responsibility. The software allows real time updates, enabling a more proactive approach to risk management than has previously been available.

26. At 18 November 2021, the new risk management system included 794 risks. These are currently divided over service level risk registers which combine to make Directorate Registers and feed directly into the 10 key corporate risk objectives. It is anticipated that both the number of risks and registers will increase as a greater proportion of the operational areas are engaged. All risks associated with the Covid-19 pandemic have now returned to a business-as-usual and incorporated into service risk registers.

27. Three key themes are currently emerging within the risk registers: Environmental; Recruitment; and Supplies. In addition to these themes and supported by current mandatory training, greater focus will be placed on fraud risk management in 2022. The Committee has noted the Risk Management Report.

Training Programme

28. The Committee has previously agreed that a report be prepared setting out a training programme for the life of this Council. A knowledge and skills self-assessment form was circulated to Members to identify gaps in knowledge and tailor future training sessions. Completed responses have been collated and a training programme has been devised to be delivered over the period to December 2024 via short sessions held in advance of each Committee meeting.

29. Initial training sessions will aim to focus on the key functions of this Committee. Where possible, training sessions will be linked to the work programme to ensure that Members receive appropriate training and information in advance of the relevant item on the agenda. The Committee has approved a training programme for the period up to December 2024 subject to an additional training session on procurement being included in the July 2022 training session.

Work Programme

30. The Committee has noted its work programme.

Cllr Nathan Desmond
Chairman

Contact Points

Contact Points for this report

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Background Papers

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

Agenda papers for the meeting of the Audit and Governance Committee held on 3 December 2021.

[Agenda for Audit and Governance Committee on Friday, 3rd December, 2021, 10.00 am - Worcestershire County Council \(moderngov.co.uk\)](#)

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COUNCIL

13 JANUARY 2022

REPORTS OF COMMITTEES

(b) SUMMARY OF DECISIONS TAKEN BY THE PENSIONS COMMITTEE

Pension Board and Pension Investment Sub-Committee Minutes

1. As set out in the Terms of Reference of the Pension Investment Sub-Committee (PISC), all decisions taken, and recommendations will be reported back to the next available ordinary meeting of the Pensions Committee in the form of the minutes of the PISC. In addition, the Pension Board has requested that their deliberations be reported to the Committee. The Committee noted the minutes of the PISC meeting on 24 November 2021 and the Board meeting on 17 November 2021.

Pension Administration Resourcing

2. The Pensions Administration team was transferred into Finance from HR in the autumn of 2020. At the end of December 2020 and the end of March 2021 respectively the Head of Administration and Administration Manager retired. A review of the service, future need, changes in regulations and resource requirements has been undertaken over the last six months to assess and draw up a future fit for purpose structure and resource.

3. The Fund has a ratio of 1 FTE member of staff for every 3,041 members. Comparative data identifies that this is a low to middle range figure – 37th out of 83 funds. The level of pay across various grades identifies a lower pay range than other comparator funds. This increases the risk of retention and recruitment, especially given the increased flexible and home working capability within the sector/profession. However, when compared to other funds, the administration of the Fund is performing in the top quartile.

4. The review has focused on a number of principles it is felt will drive a continual successful pension administration team:

- Creating a structure and culture that enables higher success in any necessary recruitments, securing the best candidates and retaining staff we have
- Developing and supporting our people, to enable them to learn, building expertise and confidence
- Growing from within; developing our team will make our service and management even stronger

- Making sure the team is supported properly to deliver a great service
- Sharing the knowledge across all aspects of the Administration team to break down any silos across the Fund and enable great change to develop.

5. Based on the evidence gained from looking at other funds and the principles set out above a revised structure, additional resource and investment in developing staff is now proposed. However, the basic structure of the team is working and it is proposed that this will be retained. The grading of the team will be higher, there will be seven new FTE posts and three new entrant apprentice roles, with further internal apprenticeships for staff, particularly around management and professional qualifications. There will also be fewer more standardised job descriptions. There will be a new job description and single Head of Pension Administration role replacing the two posts that were vacated in the last 12 months due to retirements. Overall, this will add £0.2 million to the current pay budget at the top of scale, however this will still mean the average pay is expected to be at or just below the average for the LGPS.

6. The Committee supported the proposals to develop the Pension Administration function and approved an increase to the Pension Fund administration budget of £0.2 million.

Local Government Pension Scheme (LGPS) Central Update

7. The Pension Investment Sub-Committee has agreed to invest an indicative £30m per annum for the next 2 years into LGPS Central Ltd.'s infrastructure strategy subject to due diligence. The Sub-Committee has also agreed circa £200m to disinvest out of the LGIM Passive Low Volatility Factor Fund and transition this into the LGPS Central All World Equity Climate Multi Factor Fund. The Fund is presently looking at LGPS Central Global Sustainable Active Equity Fund and LGPS Central have now appointed 3 managers being Mirova, Liontrust and Baillie Gifford. The Sub Committee have considered further information relating to a risk/return analysis provided by LGPS Central.

8. There have been initial discussions with LGPS Central on their proposed budget and Strategic Business Plan for 2022/23. It was hoped that the Budget could be initially agreed by partner funds by the end of December to then present the outcome to the Pensions Committee on 3 February 2022.

9. The progress on the pooling return submission showed a like for like increase of assets under LCPSC Ltd management/stewardship to £22.2bn at 31 March 2021 from £17.3bn at 31 March 2020 (July 2021: £24.1bn, July 2020: £19.5bn) (this includes assets invested directly in LPGSC Ltd products, as well as those under discretionary and advisory agreements).

10. An interim Chief Legal Compliance and Risk Officer has been appointed and the recruitment process is at the end stage of interviews for the permanent appointment to this post and the Chief Stakeholder Officer. LGPS Central have appointed to the Communication Manager role. The company have now signed their lease agreement to move into the new I9 building in Wolverhampton and are looking to move during December 2021. The Committee has noted the LGPS Central update and expressed its disappointment at the time it had taken LGPS Central to transition existing assets and investment to LGPS Central products, particularly the Global Sustainable Active Equity

Fund.

Pension Investment Update

11. The Committee has noted the independent investment adviser's fund performance summary and market background. The Committee has noted the update on the investment managers placed 'on watch' by the Pension Investment Sub Committee.

12. The Fund has an estimated funding level of 103% as at the end of September 2021 and initial pension 2022 valuation discussions have begun with the actuary . However, it is most likely that the market volatility will continue particularly now with the increase in inflation which may impact on the overall funding levels. The Committee has noted the funding position compared to the investment performance.

13. It was agreed to continue the equity protection for a further 12 months on the S&P500 (for our US passive equity holdings) and on the FTSE100 (for our UK passive equity holdings), and for 18 months on the Eurostoxx50 (for our European passive equity holdings). The revised strategy is more fluid and is aimed at capturing as much market upside as possible as well as protecting from significant downside market movements. Increased active management is required for these strategies and fortnightly monitoring meetings have taken place with River and Mercantile since September 2020. The level of protection still remains at 20% for any market downfall from the point at which the strategy is revised. The Committee has noted the update on the equity protection current static.

14. The Pension Investment Sub-Committee has agreed to invest 15% of its 35% existing passively managed equities target allocation equating to 6% of the overall Fund to sustainable active equities. This equates to circa £200m and 60% is to be invested in funds run by Liontrust Asset Management PLC and 40% to Baillie Gifford, however the percentage split of investment to each Fund manager was still to be confirmed. Any proposed changes to the Fund's strategic asset allocation have to be approved by the Pensions Committee. Therefore, to fund this proposed change in investment strategy, the Committee has agreed the proposed 6% decrease in the strategic asset allocation to market capitalisation passive indices and the increase of 6% to actively managed equities to allow for the investment in sustainable active equities.

15. The Committee noted the update on responsible investment activities, Local Authorities Pension Fund Forum (LAPFF) and stewardship. The Committee noted the update on the LGPS Central report on the voting undertaken on the Fund's behalf.

Pension Fund Annual Report for the year ended 31 March 2021

16. The Council and Pension Fund are required to prepare annual statement of accounts and to arrange for them to be audited and reported in accordance with the Accounts and Audit Regulations 2015 (as amended), and the 2020/21 Code of Practice on Local Authority Accounting in the United Kingdom, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The statement of accounts presents the overall financial position of the Pension Fund, reflecting the Pension Fund net asset position.

17. In response to COVID-19, the requirement to prepare draft accounts by 31 May was extended to the 31 July and the requirement for the public inspection period was

amended to commence on or before the first working day of August 2021. The Accounts and Audit (Amendment) Regulations 2021 extend the statutory audit deadlines for 2020/21 and 2021/22 for all local authorities and pension funds. The Pension Fund accounts had been approved but sign off by the external auditor was awaited.

18. The Committee has approved the Pension Fund Annual Report for the year ended the 31 March 2021.

Business Plan

19. The Business Plan is reviewed and updated quarterly to deliver an extra management / governance tool to: help officers to manage the Fund's activities; and assist the Pensions Committee to ensure the ongoing management and development of the Fund is in line with longer term policy, objectives and strategy. The Committee has noted the Worcestershire Pension Fund (WPF) Business Plan as at 1 November 2021.

Risk Register

20. The review undertaken by officers in October 2021 has resulted in the addition of risk WPF 34 (Inflation) as a separate risk (it was previously included in WPF 22, key actuarial assumptions). The review also resulted in 2 residual risk scores being increased and 1 reduced:

- a) WPF 31 (Pandemic) was increased from 30 to 40;
- b) WPF 24 (Employer resources) was increased from 30 to 40; and
- c) WPF 30 (Data quality) was reduced from 25 to 15.

21. Mitigating actions have been updated for new measures and previous measures that have been completed / developed further / have changed timelines. The Committee has noted the WPF Risk Register as at 1 November 2021.

Forward Plan

25. The Committee has approved the Forward Plan.

Cllr Elizabeth Eyre
Chairman

Contact Points

Specific Contact Points for this report

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Background Papers

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

Agenda papers for the meeting of the Pensions Committee held on 8 December 2021.
[Agenda for Pensions Committee on Wednesday, 8th December, 2021, 10.00 am - Worcestershire County Council \(moderngov.co.uk\)](#)

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