

Worcestershire County Council

Agenda

Cabinet

Thursday, 27 October 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.

Cabinet

Thursday, 27 October 2022, 10.00 am, County Hall

Membership: Cllr Simon Geraghty (Chairman), Cllr Marc Bayliss, Cllr Adrian Hardman, Cllr Marcus Hart (Vice Chairman), Cllr Adam Kent, Cllr Karen May, Cllr Richard Morris, Cllr Tracey Onslow, Cllr Andy Roberts and Cllr Mike Rouse

Agenda

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1	Apologies and Declarations of Interest	
2	Public Participation Members of the public wishing to take part should notify the Democratic Governance and Scrutiny Manager in writing or by e-mail indicating both the nature and content of their proposed participation no later than 9.00am on the working day before the meeting (in this case Wednesday 26 October). Further details are available on the Council's website. Enquiries can also be made through the telephone number/e-mail address listed on the website and in the agenda.	
3	Confirmation of the Minutes of the previous meeting The Minutes of the meeting of 22 September 2022 have been previously circulated.	
4	Relocation of Redditch Library	1 - 10
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To obtain further information or a copy of this agenda contact Sheena Jones, Democratic Governance and Scrutiny Manager on Worcester (01905) 846011 or email: DemocraticServices@worcestershire.gov.uk

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

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NOTES

- **Webcasting**

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

CABINET
27 OCTOBER 2022**RELOCATION OF REDDITCH LIBRARY**

Relevant Cabinet Member

Councillor M Hart

Relevant Chief Officer

Strategic Director for People

Local Member(s)

None

Recommendations:

1. **The Cabinet Member with Responsibility for Communities recommends that Cabinet:**
 - a) **Notes the proposals for re-locating Redditch Library as part of Redditch's Town Plan Deal;**
 - b) **Approves the set of high-level plans and requirements for the re-location of Redditch Library as set out in the report;**
 - c) **Approves the commencement of formal public consultation on the proposed plans for the relocation;**
 - d) **Authorises the Strategic Director for Commercial and Change in collaboration with the Chief Finance Officer and in consultation with the Cabinet Member for Communities, to progress further negotiations with Redditch Borough Council for the commercial arrangements for the proposed library relocation and transfer of the library site to Redditch Borough Council, based on the main heads of terms as set out in paragraph 21; and**
 - e) **Receives a further report, in May 2023, on the outcome of the consultation and the negotiations with Redditch Borough Council.**

Background

2. In June 2021 Redditch secured a historic investment of £15.6 million Town Deal which will help fund ambitious new projects for the town. The funding represents one of the single largest government investments in Redditch since it became a new town in the 1960s

3. The Town Deal is the result of the submission to government through the Towns Fund. The Redditch submission was based on vision for the transformation of the town summarised in the Town Investment Plan

4. The Town Deal is to be progressed through a collaborative approach between the Redditch Town Deal Board (which includes representatives from Worcestershire County Council) and Redditch Borough Council. The priority projects to be funded by the Town Deal have been selected because they will demonstrably boost the productivity and economy of the town, promote innovation and digital transformation, enhance the look and feel of the public areas and provide increased green and connected town centre spaces.

5. The projects to be taken forward are:

- Development of a new digital manufacturing and innovation centre
- Redevelopment of the current Redditch Library site
- Town Centre public realm Improvements

6. A business case for the Town Deal bids is being submitted to central government on 14 October with the outcome expected to be known by the end of 2022.

7. This report focuses on the re-development of the current Redditch Library site which involves the demolition of the existing library building and the delivery of a new public square and associated commercial development. The proposed new square on the site of the library can provide this space in a location which helps to drive footfall to and from the Kingfisher Centre and improving connectivity to the historic town centre core. The proposed new square would stimulate the conversion of the blank surrounding facades, including part of the Kingfisher Centre and the former Royal Hotel, currently operating as a nightclub. In addition, a new café pavilion is proposed to book-end the new square and helps to define the historic street frontage. A total of £4,130,000 has been allocated towards this development.

8. Worcestershire County Council is actively supporting the regeneration of Redditch within its Town Plan and wants to work collaboratively with the Borough Council on the re-location of the existing Library into other suitable premises. Discussions have been taking place with Redditch Borough Council to further develop this plan and approval is sought from Cabinet for the high-level plans and set of requirements for the proposed newly located Library and authorise the commencement of public consultation.

Redditch Library

9. Worcestershire has a total of 21 Libraries, 2 Library Links and a mobile Library which collectively meet the Council's statutory duty of providing a comprehensive and efficient Library Service. Redditch Library serves the second largest catchment population (86,819) behind The Hive (105,312) and ranks 4th out of 21 in deprivation ranking and is the 2nd busiest library in accordance with activity. Worcestershire County Council have operated from the current building c.50 years with the Jobcentre Plus moving in April 2018.

10. Redditch Library is open 52 hours a week across six days (closed on Sunday). It offers the full range of service provision including Adult Learning, Readers' Groups, School Class Visits, Job Clubs, Business & Enterprise support, children's activities, social connecting groups, Library Service at Home, volunteering opportunities, computer access support and much more. The table below summaries the high-level statistics on how Redditch Library is used by the local population.

Redditch Library Statistics

Financial-year totals 2016/2017 to 2021/2022 and for 2022/2023 up to and including 30th September

	2016/2017	2017/2018*	2018/2019	2019/2020†	2020/2021†	2021/2022	2022/2023
Visits	261,028	222,088	275,461	269,777	39,008	143,502	70,936
Members whose Home Site is Redditch	41,296	43,283	45,878	47,912	48,557	50,111	51,184
Active Users (borrowers and computer users)	9,501	9,426	9,246	8,305	5,917	4,465	4,428
Issues - Books	164,251	145,069	138,966	125,033	33,209	89,270	52,870
Issues - Music CDs, DVDs, Spoken Word	3,701	3,143	2,228	1,559	652	1,283	533
Active Borrowers	6,392	5,786	5,638	5,004	1,839	3,193	3,107
Computer Users	5,123	5,083	5,732	4,470	1,350	1,967	1,663
Computer Hours Used	36,072	28,029	29,397	28,773	3,932	10,203	6,827
Computer Hours Used as % of Available Time	26.5	25.3	23.8	23.5	23.2	34.2	23.3
Event Attendees	13,369	10,793	12,053	11,457	--	4,007	4,715

* library closed 26th February to 13th March 2018 inclusive for refurbishments to accommodate Jobcentre Plus

† library closed 24th March until 3rd July 2020 inclusive

Requirements for Library re-location

11. Worcestershire County Council and Redditch Borough Council see the library provision as an important service within the town's offer to local residents and community groups, and want to use this opportunity to further bolster library usage in line with the County Council's approved Library Strategy.

12. To protect the County Council's interests, both commercially and in terms of service offer/statutory responsibilities it is proposed that the following requirements, with the three areas of commercial arrangements, service conditions and collaboration

opportunities, are used with Redditch Borough Council to agree the re-location arrangements.

i) Commercial Arrangements

- The County Council own the current library and its market value will need to be recovered whether that is through a capital receipt, a transfer of an interest with equivalent value, demonstrated increase in community value or a mix of some or all of these, to equate to the market value and comply with best value obligations under the Local Government Act 1972
- The County Council's overall costs/income position cannot be any worse i.e., the County Council will expect to be compensated for any deficit considering current and expected running costs and rental income from third parties.
- The expectation is that the project funding and therefore the business case will demonstrate that all costs to relocate the library and, any other services currently delivered from there, to a new location would be covered by Redditch Borough Council. This will include all associated costs including fit out of the new premises i.e., no additional one off or recurrent costs to the County Council by undertaking this relocation.
- There is no increase in current net premises cost and any surplus generated will be retained but the County Council will take the risk of any future reduction in income generation from third parties
- The long-term future of the Library and its current capital value is protected as part of any future lease arrangements.

ii) Operational/Service Conditions

- The re-located Library floorspace is equal to or of similar size to the current location provided the proposed area can still enable the same offer with no increase in current net premises costs (if the floor area is lower than existing, then corresponding reduced costs and income should still equate to the same net surplus to be generated).
- The alternative premise is within a location that retains current footfall levels (current location benefits from proximity to Kingfisher Shopping Centre) or mitigation of a less central location through an increase in number of co-located service providers.
- There are no barriers to access for customers, volunteers or staff, e.g., access to short term-term parking for couriers and volunteers, access to disabled parking.
- The library is in prominent location, predominantly on the ground floor within a building with a high profile, visible, glazed entrance to provide an attractive 'shop window' from the street.
- An interior space that is modern, open, light and welcoming with the potential to evolve and increase the service offer including the new libraries unlocked delivery model (if appropriate).
- There is no reduction in the current library service offer.

iii) Collaboration Opportunities

- The re-located premise helps facilitate the continuation of a positive working relationship with partners including co-development of services to meet Redditch residents' needs.
- The re-location will allow the continued development of the County Council's Open Library programme which seeks to strengthen libraries as community assets outside core opening hours
- The re-located library to be considered in the context of the wider Redditch Town Centre plan, e.g., are there other developments planned that would impact the desirability of the new library location.
- To have visible design links and directional signage links within public realm space in Redditch Town Centre to integrate the library into the wider town centre scheme and 'lead' residents to the library.
- For the Library to be considered in the context of Redditch & Bromsgrove's plans for the delivery/provision of District Customer Services, including shared reception facilities for the newly proposed community hub.
- Consider the new location that is developed as a community hub through other service co-locations and partnerships.

Proposed re-location plans

13. It is proposed to re-locate Redditch Library from its present site to the Redditch Borough Council Town Hall, as a part of the development of a new community hub with partner agencies. The implementation of this re-location will follow the requirements set out in paragraph 12, which includes being at a cost neutral level to the County Council. This will then free up the former Library site for demolition, repurposing and redevelopment as per the Town's fund bid. This relocation brings with it key benefits including:

- Creative space planning for the purposes of community hub.
- Evolutionary agile flexible space.
- Enhanced town scape that is more attractive and accessible to residents, business and visitors.

14. Feasibility planning for the available space within the Town Hall has been undertaken by Eddisons and AEW Architects, jointly engaged by Redditch Borough Council and Worcestershire County Council, in conjunction with Library Services and their tenants. Following detailed requirement scoping, several options were presented proposing how the available space within the Town Hall can be redesigned and utilised to meet service delivery needs. Options reviewed have included extending onto existing balcony areas to maximise available space on the ground floor, as well as creative and flexible use of existing space on multiple floors to minimise additional building works required.

15. Following consideration of the operational service conditions and collaboration opportunities as outlined above, the option proposed utilises space across four floors, including the lower ground floor which allows operational services to be maintained whilst reducing additional costs for extension.

16. At a high level, the plans demonstrate how the refurbishment of the existing Town Hall will be utilised to facilitate a new community 'one stop' offering flexible use to a

variety of occupiers sharing resources where possible. Re-orientation and re-configuration of underutilised spaces and use of the existing building structure offers flexibility and evolution of space. The ground floor entrance will become the focal point to the scheme aided with clear signposting to facilitate ease of use for the wider public and staff, including:

- Ground floor open plan entrance, event and display area including soft seating, front-facing customer displays and refreshments; dedicated library space and shared space
- First floor dedicated library space and shared space
- Second floor further meeting rooms including large council chamber for multi-agency use and shared hot desking space
- Lower ground floor space available to Library Services and partners with access to emergency exit on to street level to meet health and safety requirements and back-office space, as well as storage.

17. In addition to Redditch Library the Community Hub at the Town Hall will also include provision for Redditch Borough Council Civic services, including customer service hub and other public services.

18. Detailed plans are attached within the Supporting Information and show the proposed locations for all shared and dedicated service areas, as well as design objectives and key benefits for each floor, and primary circulation routes which will enhance visibility of services and customer experience.

19. The table below demonstrates the space allocations in square meters comparing the various zones of the library in the current building and new proposed space within the Town Hall. Overall, the space allocation is 11sqm more in the new space, and therefore meets the operations / service condition to provide a space which is of equal or similar size. The only significant loss of space is in Library storage which could be accommodated by reviewing and rationalising stored items and considering use of space in other library buildings such as The Hive for some stored collections.

Identified spaces	Existing Area (sqm)	Proposed Area (sqm)	Variant (sqm)
Library Storage	200	105	-95
Library Meeting Room 1	25	30	+5
Library Meeting Room 2	55	57	+2
Library Meeting Room 3	28	22	-6
Children's	68	75	+7
Fiction	154	220	+66
Business		32	+32
Non-Fiction	107	107	0
Total sqm	637	648	+11

20. Worcestershire County Council Library Services are supportive that the plans demonstrate the available space will be able to meet service delivery requirements, subject to further detailed design work following public consultation.

Proposed commercial arrangements

21. For this “dealer-location” to happen, the County Council will work with Redditch Borough Council to agree a lease and a financial arrangement that meets the requirements set out in paragraph 12. Initial discussions have proposed that the County Council will grant Redditch Borough Council a 125year lease of the library for the creation of a new public square in return for Redditch Borough Council granting a 125year lease of accommodation within the Town Hall, both leases at nil rent. The lease of the Town hall will detail Redditch Borough Council’s responsibility for the full refurbishment costs and Redditch Borough Council will also be responsible for the relocation costs. The County Council’s share of the running costs will be split into three elements:

- a) Sub metered electricity costs for which Redditch Borough Council will cover the cost of installing the meters;
- b) An additional charge for the proportional costs relating to the leased accommodation in the Town Hall to the County Council for heating, rates, and any other services to be agreed; and
- c) A service charge to contribute to the proportional building running costs of the common parts, including building maintenance. A detailed list of what will be included and excluded from Redditch Borough Council’s service charge will be provided and agreed.

To satisfy the principle that the County Council’s overall costs will be no worse off, it is proposed that the total of b) and c) must not be more than currently budgeted for the existing library for equivalent services, and this figure will rise annually on an appropriate price index but will never be more than the actual proportional costs. The County Council will take the risk of increased electric charges under a).

Further details of the agreed proposed commercial terms will be included in the report brought to Cabinet in May 2023.

Formal Consultation

22. Given the scale of change outlined in the section above, formal public consultation is required. This consultation will focus on the rationale for the change, the impact on existing services and service users along with the proposed implementation plans. The public consultation will commence on 07 November 2022 and run for just over 90 days until 24 February 2023 (considering the Christmas and New Year holidays). The methodology used will follow a mixture of online surveys and face to face sessions. 3-dimensional modelling and extensive conceptual design visuals will be available to support public consultation. A copy of the draft consultation document including the survey can be found within the Supporting Information.

Overview and Scrutiny

23. The Overview and Scrutiny Performance Board will be visiting the current provision and meeting in Redditch on 25 October to discuss the proposals. Feedback from the Board meeting will be provided to Cabinet.

Legal, Financial and HR Implications

24. The last full year of income and costs relating to Redditch Library was 2021/22 and **Table 1** below details the premise costs, income and net position compared to budget, with an actual year end surplus of £24k being generated. The 2022/23 budget predicts a net surplus of £22k. but this is before knowing the full impact of rising utility and other building running costs.

Table 1 – premises costs, income and net position

	Budget 22-23 £'000	Actual 21-22 £'000	Variance £'000
Premise Costs *	156	154	(2)
DWP Income	-178	-178	0
Surplus	(22)	(24)	(2)

* Excludes DWP additional cleaning and security costs which passed straight through to DWP

25. Based on the commercial requirements, the costs of relocation will be funded by Redditch Borough Council and the County Council is expecting to be fully compensated for the value of the asset in line with S.123 of the Local Government Act 1972

26. There are 12 staff (8.5 FTE) working from Redditch Library. They would all transfer to the new location. This is not deemed to be a change of terms of conditions if the new location is near the current Library building.

27. There will be additional capital costs to enable the re-location to implement an Open Library approach in Redditch, as well as some additional equipment that will enhance the new facility. These are one off capital costs and can be met from the existing capital programme for Libraries

28. There has been some debate about whether the existing Library Building should be added to the List of Buildings of Special Architectural or Historic Interest. Confirmation was received on 20 December 2021 that the Secretary of State for Digital, Culture, Media and Sport has made his decision not to list and is minded to issue a Certificate of Immunity from Listing (COI) for Redditch Library.

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

29. Joint Impact Assessment Screening has been completed. Further detailed impact assessment was required for Environmental Sustainability Impact with potential impact on efficiencies of the new building and a possible reduction in the carbon footprint of the Library service.

Supporting Information

Appendices (available electronically):

- a) Proposed plans
 - Town Hall Zone Plans: Lower Ground Floor; Ground Floor; First Floor; and Second Floor
 - 3D Exterior Imaging
- b) Draft consultation document
- c) Joint Impact Assessment Screening
- d) Environmental Sustainability Impact Assessment

Contact Points

Contact Points for this report

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Background Papers

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

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CABINET
27 OCTOBER 2022**WORCESTERSHIRE JOINT LOCAL HEALTH AND
WELLBEING STRATEGY 2022-2032**

Relevant Cabinet Member

Councillor Karen May, Cabinet Member with Responsibility for Health and Wellbeing

Relevant Chief Officer

Liz Altay, Interim Director of Public Health

Local Member(s)

Applicable to all, via Health and Wellbeing Board representation

Recommendation

- 1. The Cabinet Member with Responsibility for Health and Wellbeing recommends that Cabinet:**
 - a) ratify the final draft of the Worcestershire Joint Local Health and Wellbeing Strategy 2022-2032 (JLHWS); and**
 - b) note that JLHWS will form a significant part of the Integrated Care Strategy.**

Background

2. Health and Wellbeing Boards were established under the Health and Social Care Act 2012 to act as a forum in which key leaders from the local health and care system could work together to improve the health and wellbeing of their local population. The JLHWS supports this collaborative working, outlining plans to improve health and wellbeing and reduce health inequalities in the local population.
3. Following the annual Joint Strategic Needs Assessment (JSNA) in 2019, a working group was formed in Summer 2020 to review identified health needs and considerations for the County. The Health and Wellbeing Board reviewed evidence and local data throughout 2021 and concluded that the proposed overarching priority for its 10-year strategy should be good mental health and wellbeing.

Public Consultation and Engagement

4. Members of the Health and Wellbeing Board, supported by the Public Health team, planned a detailed and far-reaching public consultation to gather the views of residents, partners and stakeholders to ensure that the strategy is driven by the needs and experiences of those who live and work in Worcestershire.

5. A formal 12-week consultation survey closed on 2 May 2022, which asked a series of questions to gather views and gauge agreement with the vision, priority and supporting areas. In addition to the survey, which was shared widely through the County, 30 focus groups were commissioned from a range of community groups and organisations.

6. The survey received 1,627 responses. Respondents reflected both positive and negative sentiments towards the survey questions. Quantitative analysis of the responses demonstrated strong agreement with the proposed vision and priority areas. Common topic areas across all the comments received were explored further by analysts, highlighting further areas for discussion and development.

7. Respondents highlighted key considerations, including the desire for outcomes and measures of the JLHWS to be clearly defined to track progress, and ensuring it remains flexible to changing needs in the population.

8. Findings were presented to the Health and Wellbeing Board for review, via a comprehensive development session. Following which, the JLHWS and the ambitions within, were shaped utilising the consultation feedback and working with Health and Wellbeing Board members and other key partners to appropriately address comments received.

9. The Health and Wellbeing Board is committed to ongoing engagement, and the results from the engagement work will further inform the development of action plans to support the delivery of the JLHWS as it evolves over the ten-year period.

Worcestershire Joint Local Health and Wellbeing Strategy 2022-2032

10. Following the detailed consultation, the Health and Wellbeing Board agreed that the JLHWS would be developed with one priority of good mental health and wellbeing, supported by action on the wider determinants of good mental health: Healthy living at all ages; Safe, thriving and healthy homes, communities and places; and Quality local jobs and opportunities.

11. The JLHWS focuses on early intervention and prevention as well as focusing action on the wider determinants of health and tackling health inequalities through collective action and partnership working.

12. The JLHWS outlines the Health and Wellbeing Board's commitment to improve mental health and wellbeing, supporting people to live well in good health for as long as possible, particularly those who have poorer health outcomes. The Health and Wellbeing Board will champion collective action to ensure children to have the best start in life, young people will have hope and aspiration for the future, and residents live longer, more independent lives in good health, with fewer people going on to need care and support, which is vital to supporting good mental health and wellbeing.

13. The full proposed strategy is available in **Appendix 1**. This draft strategy has been approved by the Health and Wellbeing Board on 27 September 2022.

14. A range of outcomes and indicators will be used to measure the impact of this JLHWS. This will be a mix of local data, engagement, feedback and case studies. The framework will be monitored by the Health and Wellbeing Board and will

continue to be updated to ensure it uses the most relevant and best quality data available.

Next Steps

15. Working with Health and Wellbeing Board members and other key partners, a set of detailed action plans will be developed outlining how the JHLWS will be delivered. These will detail milestones, timescales and specific outcomes with performance indicators to assess the impacts of the JLHWS. They will be driven by the best available evidence, local need, previous learning, and findings from the consultation. The action plans will use population, whole system approaches however, the Health and Wellbeing Board will ensure a continued focus on addressing health inequalities.

16. The Health and Wellbeing Board will define a system-wide structure, working with partners, to implement and monitor the JLHWS. Progress of the JLHWS and its performance indicators will be regularly reported to the Health and Wellbeing Board.

17. The newly formed Integrated Care Partnership (ICP) is responsible for joining up services across the NHS, Local Authority, and voluntary and community sector partners to meet the health needs of the population. Through its clear focus on improving mental health and wellbeing, this JLHWS will form a significant part of the Integrated Care Strategy that the ICP will be publishing in December 2022.

Overview and Scrutiny

18. Findings of the JLHWS consultation were shared with the Health Overview and Scrutiny Committee on 8 July 2022 for consideration and reflection. This helped to inform the development of the JLHWS and ensure it reflected local needs.

Legal, Financial and HR Implications

19. There have been no noted recorded additional legal, HR or financial implications from the recommendations within this report.

20. Delivering the JLHWS crosses a number of partners including the County Council, District Councils, Health Partners and the voluntary sector, and therefore from a variety of funding streams. The County Council funds its activities from its general revenue budgets including within Adult Services, Communities and Children's Services as well as from its Public Health Ring-Fenced Grant. The implementation of recommendations within this report have been taken into account within the relevant financial plans for these areas.

Risk Implications

21. Failure to produce a JLHWS would be in breach of the Health and Wellbeing Board's statutory duty and need to address the health and wellbeing needs of the local population.

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

22. The JIA screening has been carried out in respect of these recommendations. It identified that further impact analysis will be required in respect of: Equality and Public Health and Sustainability.

23. A full Equality and Public Health, Sustainability Impact Assessment has been carried out in respect of the recommendations. This did not identify potential negative impacts, but neutral or positive impacts. Relevant findings and further discussions will contribute to the development of the action plans. Further JIA screenings will take place when the Strategy is updated.

Supporting Information

Appendices (available electronically):

a) Appendix One:
Worcestershire Joint Local Health and Wellbeing Strategy 2022-2032

b) Appendix Two:
Joint Impact Assessment Screening
Joint Impact Assessment Equality & Public Health Full
Joint Impact Assessment Environment Sustainability Full

Contact Points

Specific Contact Points for this report
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Tel: 01905 846503
Email: laltay@worcestershire.gov.uk

Background Papers

In the opinion of the proper officer in this case the Director of Public Health the following are the background papers relating to the subject matter of this report:

Health and Wellbeing Board
[Health and Wellbeing Board | Worcestershire County Council](#)

Health and Wellbeing Board – Agendas and Papers
[Browse meetings - Health and Well-Being Board - Worcestershire County Council \(moderngov.co.uk\)](#)

[Health and Wellbeing Strategy Consultation 2022-2032 | Worcestershire County Council](#)

Download: [Health and Wellbeing Strategy Consultation 2022 – 2032 \(PDF\)](#)

Download: [Consultation Summary \(PDF\)](#)

Download: [Health and Wellbeing Consultation Summary Easy Read \(PDF\)](#)

CABINET

27 OCTOBER 2022

WORCESTERSHIRE CHILDREN & YOUNG PEOPLE'S PLAN

Relevant Cabinet Member

Cllr Andy Roberts – Cabinet Member with responsibility for Children & Families

Relevant Chief Officer

Tina Russell – Chief Executive, Worcestershire Children First and Director of Children's Social Care

Recommendation

- 1. The Cabinet Member with Responsibility for Children & Families recommends that Cabinet recommend the Children and Young People's Plan for adoption by the Council.**

Background

2. The Children & Young People's (CYP) Plan (attached at Appendix 1) is a strategic document that underpins the all-age Joint Health and Wellbeing Strategy (HWS) and provides a framework for operational delivery of the Health & Wellbeing Board's (HWB) priorities for children and young people.
3. The CYP Plan is overseen by the Children & Young People's Strategic Partnership (CYPSP) Board which is a sub-group of the Health & Wellbeing Board (HWB). The CYPSP brings together senior/strategic leaders to take a whole-system response to improving outcomes for children and young people. It reports twice annually to the HWB on activity and progress towards the CYP Plan outcomes. Attached at Appendix 2 – CYPSP Governance diagram.
4. As part of developing the Policy framework, the 2022/24 CYP Plan was endorsed by the HWB at its meeting on [24 May 2022](#) [Appendix 3]. The findings of the Health & Wellbeing Strategy consultation, which influences the CYP Plan, were further discussed and endorsed at a HWB private development session in June 2022. The CYP plan was considered by the Overview & Scrutiny Performance Board (OSPB) on 20 July 2022.

Stakeholder Engagement

5. Initial plans for face-to-face consultation on the new plan were revised due to COVID-19 restrictions. However, partner organisations and the public were able to contribute to the Plan through existing networks and online.
6. Members of the CYPSP identified the priority needs of children and young people from their work with families. These were used to develop questions for use in a public survey which ran from 11 January 2021 to 31 March 2021. The survey was promoted through partnership links with internal and external organisations and

social media communications. A short presentation pack with information about the plan and a link to the survey was developed and shared to support the process.

7. COVID-19 restrictions meant that the survey was carried out online and limitations in the scope of the survey were acknowledged. The majority of respondents to the survey agreed with the priority needs that the CYPSP had identified and felt that these were important to work on to help children and young people in Worcestershire. The top three themes from the survey matched those identified in the initial work to redevelop the Health & Wellbeing Strategy:

- Access to mental health services
- Help to build emotional wellbeing and resilience
- Tackling childhood poverty, especially food and fuel poverty

8. Information from the [Joint Strategic Needs Assessment \(JSNA\) 2021 – Health Impacts of COVID-19](#) (Appendix 4) was also considered, and this highlighted that some children and young people’s mental health and wellbeing had been substantially impacted due to and during the COVID-19 pandemic.

9. The findings of the [Healthwatch Worcestershire COVID-19 Young People’s Emotional Wellbeing Report](#) (Appendix 5) were also taken into account.

Children & Young People’s Strategic Partnership – Partnership Development

10. During 2021, the governance of the CYPSP was reviewed, alongside a review of the HWB governance and subgroup structure, both of which were informed by the development of the Integrated Care System. Four subgroups were identified to have a direct relationship detailed in Appendix 5 - Governance Structure (attached):

- Early Help Partnership (EHP)
- Children & Young People’s Emotional Wellbeing & Mental Health Partnership
- 0-25 SEND & All Age Disability Partnership Board
- Worcestershire Safeguarding Children Partnership (WSCP)

11. The CYPSP sub-group Chairs met to discuss and develop the outcomes and progress measures for the CYP Plan based on the priorities and other data identified in the draft Worcestershire Children & Young People’s Plan 2022-2024.

12. Each subgroup will report to the CYPSP twice a year, on activity and progress towards the CYP Plan outcomes, including performance data and service user feedback.

13. The CYP Plan was presented to the CYPSP board meeting on 21st September. Progress reports were given by subgroup chairs and a baseline agreed for bi-annual measurement of future progress against outcomes.

Overview and Scrutiny

14. The CYP plan was considered by the Overview & Scrutiny Performance Board (OSPB) on 20 July 2022. Comments made by the Board are at appendix 6.

Legal, Financial and HR Implications

15. None

Risk Implications

16. Risk to delivery and consequences

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

A **joint impact assessment (JIA)** screening has been completed and did not identify any potential considerations requiring further assessment during implementation.

Supporting Information

Appendix 1 - Worcestershire Children & Young People's Plan 2022-2024

Appendix 2 - CYPSP Governance Diagram

Appendix 3 – [Health & Wellbeing Board 24th May 2022](#)

Appendix 4 - [JSNA Annual Summary 2021- Health Impacts of COVID-19](#)

Appendix 5 - [Healthwatch Worcestershire COVID-19 Young People's Emotional Wellbeing Report](#)

Appendix 6 – Comments from Overview and Scrutiny Performance Board at its meeting on 20 July 2022

Appendix 7 – Joint Impact Assessment Project screening.

Contact Points

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Background Papers

None

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CABINET
27 OCTOBER 2022**REPORT OF PERSHORE AREA REVIEW CONSULTATION**
FINDINGS AND RECOMMENDATIONS

Relevant Cabinet Member

Councillor Tracey Onslow, Cabinet Member with Responsibility for Education

Relevant Chief Officer

Director of Children's Services

Local Member(s)

Councillor Adrian Hardman
Councillor Daniel Boatright
Councillor Laura Gretton
Councillor Linda Robinson
Councillor Liz Eyre
Councillor Marc Bayliss

Recommendations

- 1. The Cabinet Member with Responsibility for Education recommends that Cabinet:**
 - a) Considers notes the findings of the pre-publication Consultation undertaken in October – November 2021 as outlined in paragraphs 27 - 29;**
 - b) subject to confirmation of a successful business case to HM Treasury by the Department of Education, which proposes funding an expansion at Pershore High School being included in the Schools Rebuilding Programme, agrees a commitment to support a collective change of age range to align schools in the Pershore Education Planning Area (EPA) to a single, two-tier (primary and secondary) system of education;.**
 - c) notes the capital funding detailed in the Council budget for 2022-23, including the County Council's capped contribution from borrowing of £1.3m in order to deliver either additional accommodation or repurposed accommodation at the LA Maintained schools:**
 - i) Defford-cum-Besford CE First School**
 - ii) Fladbury CE First School**
 - iii) Upton Snodsbury CE First School**
 - iv) Abbey Park First & Nursery School and**
 - v) Abbey Park Middle School**

- d) Note the request from the DfE regarding disposal of surplus land, as set out in paragraph 56, and agree in principle that if surplus land as identified is sold by Worcestershire County Council at a future date, the proceeds are paid to the DfE for costs incurred in the expansion of Pershore High School;**
- e) If a coordinated collective solution can be agreed, delegates to the Cabinet Member for Education, , the decision to publish the statutory proposals for Abbey Park First and Middle School to change age ranges to a Primary School; and**
- f) Notes the critical milestones set out in paragraph 59 for changes from September 2025 at the earliest, subject to funding for Pershore High School from the Department for Education.**

Background

1. Worcestershire County Council has a duty (under s13-14 Education Act 1996) to ensure there are sufficient school places to accommodate the children and young people who reside in the county and to ensure these places are efficient with a view to promoting high standards, with sufficient capacity to promote parental preference and diversity.
2. In April 2018 the Leader of the Council delegated authority for the publication of statutory proposals for prescribed alterations to maintained schools to the Director of Children Services and Cabinet Member with Responsibility for Education (Previously Cabinet Member for Education and Skills). This delegated authority was endorsed by Cabinet in January 2020.
3. The Pershore Education Planning Area (EPA) incorporates part of the Wychavon district, made up predominantly of small rural villages. A map of the education planning area is available in Appendix 1.
4. Until 2019, the education provision in this area has followed a three-tier journey, where pupils attend first schools from the ages of 4-9 (reception to year 4), transfer to middle schools at age 9-12 (year 5 to 7), and then transfer for a final time to high school at age 12 to complete their education (year 8 to year 13).
5. From 2018 onwards the following changes were agreed or submitted for approval within the Pershore EPA:
 - a. Avonreach Multi-Academy Trust gained approval from the Regional Schools Commissioner (RSC) in December 2018 to vary the age ranges of three first schools, The Orchard, Inkberrow, and Norton-Juxta-Kempsey CE, to convert to Primary Schools and in September 2019 Pershore High to convert to a Secondary School in September 2021, although still operate an intake point at year 8, meaning pupils either start at year 7 (two-tier pyramid) or year 8 (three-tier pyramid);
 - b. The Local Authority in April 2020 approved the conversion of Flyford Flavell to a Primary School in Sept 2020 (with Year 7 places agreed at Pershore High from September 2022);

- c. Himbleton C.E. converted to a Primary School from September 2021, approved in October 2020 by Himbleton Governing Body (with Year 7 places agreed at Pershore High from September 2023); and
 - d. Crowle C.E. submitted an application to the RSC to convert to a Primary School from Sept 2022. This decision is on hold pending the outcome of the Pershore Review Consultation.
6. The above-mentioned schools were not part of the pre-publication engagement as they are not proposing any further age range changes.
 7. The above-mentioned changes to age ranges in schools (paragraph 5) has led to uncertainty and sustainability concerns across the EPA. This creates a risk to ensuring clear, quality, sustainable education journeys for pupils in Pershore and the surrounding rural villages and ensuring the sustainability of several small rural schools.
 8. Further details of the schools currently operating in the Pershore pyramid are outlined in Appendix 2. As a result, the EPA is now made up of a mix of education tier journeys. The pyramids are outlined in Appendix 3.
 9. Across Worcestershire we seek to maintain a 5% surplus in line with the agreed strategic aims as outlined in the Worcestershire Education and Skills Strategy (2019 – 2024). The creation of additional places in years 5, 6 and 7 as a result of the already approved changes above has resulted in a forecast level of surplus in these year groups of 31% in September 2021, 34% in September 2022 and 36% in September 2023 which is projected to rise. This is outlined in further detail in Appendix 4.
 10. Over the last two years, parents have increasingly chosen a two-tier system of education in their admissions applications with an increasing percentage choosing to remain at converted primary schools or choosing to transfer from first to primary schools. For small rural first schools, this can have a notable impact on sustainability. Please note the increasing retention rates at primary schools in Appendix 5.
 11. Between 2013 and 2018, an average of 3% of pupils moved out of the pyramid between year 4 and 5. In 2019 the area gained an additional 3% of pupils through in-year transfer. Despite this, the retention is not significant enough to offset the reduction in pupils in middle schools. The number on roll in middle schools is outlined in Appendix 6.
 12. A decline in preference for a three-tier system has been further exacerbated by the Middle School Ofsted ratings. St Barnabas CE First & Middle (DOWMAT academy) and St Nicholas CE Middle (DOWMAT academy) are currently rated as 'requires improvement' by Ofsted. Ofsted noted at the recent inspection (June 2021) of St Nicholas CE Middle School that it is an improving school. Abbey Park Middle School improved from 'Requires Improvement' to 'Good' in June 2022.
 13. Based on the impact of these changes and projection of further risk it was recommended to consult in review of the future provision required for this area to ensure a consistent and quality educational journey for all children; and to enable a coordinated and cohesive approach of change for the pyramid if this is required.
 14. Since November 2020, at the request of all the schools and representative bodies in the Pershore area, Worcestershire Children First (WCF) Officers have facilitated education partners (including head teachers, governing bodies, Academy Trust

partners, the Diocese of Worcester, the Department for Education, Education Funding Agency (EFA) and Regional Schools Commissioner (RSC)) in this area to work together to understand the issues and opportunities, to collaborate on agreed principles, and consider options for the future. Any coordinated change has required multiple parties to work collectively.

15. There are multiple proposers, including School Governing Bodies, Academy Trusts and the Local Authority, and multiple decision makers including School Governing Bodies, the Local Authority, the Regional Schools Commissioner as per Appendix 7, which will require a coordinated approach to decision-making. The relevant decision-making body for each school is determined by the status of the school and the type of proposal.

16. The Council's revised Change of Age Range Policy on responding to change of age range requests (approved by Cabinet 30 January 2020) identified several criteria that must be considered and satisfied prior to decisions being taken to propose such changes.

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

Pre-Publication Engagement (Consultation)

18. In September 2021 Cabinet approved pre-publication engagement with stakeholders on the proposal for a coordinated change of age range to align schools in the Pershore EPA to a single, two-tier (primary and secondary) system of education. Cabinet also supported Worcestershire Children First to continue to manage this change and coordinate the consultation with families, residents and other key stakeholders.

19. In line with the Code on School Admissions all admission authorities proposing any changes to admission arrangements, including policy and Published Admission Number (PAN), must conduct a full public Consultation within the statutory timeframes set out in the Code. It was therefore determined that both Consultations should be conducted at the same time and reference to each Consultation should be included in all documentation. Stakeholders were invited to provide their views in a seven week-engagement exercise running from 11 October - 26 November 2021. Consultation involved a survey advertised through the WCC and school websites, on social media, and shared directly to all Worcestershire schools, Pershore Early Years providers and local stakeholders including local councillors, parish councils and Unions. Hard copy surveys were also available from WCF and individual schools.

20. Each proposing school held Consultation events, both virtually and face to face to allow stakeholders including parents and the community an opportunity to find out more about the proposals and ask any questions. Cabinet Member Cllr Marcus Hart along with WCF Officers held an overall Consultation event at Pershore Civic Centre open to any stakeholders with a vested interest in the proposals.

21. The survey and details of Consultation events can be found in the Consultation Pack in Appendix 8, with a detailed summary of all responses in Appendix 9.

Consultation Proposals

22. The Consultation included the following proposals:

- a. Conversion of the following first schools to primary schools, resulting in accommodation changes:
 - i. Fladbury CE First School (Governing Body proposer) *including a decrease in Pupil Admission Number from 20 to 15 pupils per year group (link to Admission Arrangements Consultation and Cabinet Report)*
 - ii. Upton Snodsbury CE First (Governing Body proposer)
 - iii. Defford-cum-Besford CE First (Governing Body proposer)
- b. Conversion of St Barnabas CE First & Middle School to a primary school (Academy Trust proposer) including an increase in the Pupil Admission Number from 30 to 45 pupils per year group¹
- c. Amalgamation of Abbey Park First and Nursery and Abbey Park Middle School to provide a single primary school (Local Authority proposer)
- d. Amalgamation of Pinvin CE First School and St Nicholas CE Middle School to provide a single primary school (Academy Trust proposer) including an increase in Pupil Admission Number from 25 to 45 pupils per year group¹
- e. Increase of places at Pershore High School in year 7 (Academy Trust proposer); and a change of feeder school links for all Pershore Primary schools (as included in the School's Consultation).

23. A number of other changes, to include Early Years provision as pupils of these schools, were proposed including:

- a. St Barnabas CE First & Middle School to lower the age range of the school to start from age 2 to incorporate pre-school age children as pupils (Academy Trust proposer)
- b. Abbey Park First and Abbey Park Middle School to lower the age range of the school to start from age 2 to incorporate pre-school age children as pupils (Local Authority proposer)
- c. Pinvin CE First School to lower the age range of the school to start from age 3 to open a new pre-school (Academy Trust proposer)
- d. Fladbury CE First School to lower the age range of the school to start from age 3 to incorporate pre-school age children as pupils (Governing Body proposer)

24. Appendix 10 shows the pyramid structure if all of the above proposals were agreed in a coordinated approach.

¹ Paragraph 1.3 of the Code on School Admissions specifies that Own admission authorities are not required to consult on their PAN where they propose either to increase or keep the same PAN

25. There were several process timescales that could be taken to implement the conversion to a consistent tier structure. The following process timescales were included in the Consultation to gauge stakeholder views and an indication of their preference:

- a. Process 1: Transition in line with natural progression. All changes made by September 2024. This process sufficiently meets all school organisation and statutory requirements for making changes of this type.
- b. Process 2: Some disruption and greater impact for families. All changes made by September 2023. This would result in the change of age range at most First Schools in 2022, with all First Schools converted to primary by September 2023, in line with the removal of the year 5 intake at Middle Schools in September 2023. This process will require some families to make three school applications in three years, impacting on education journeys during transition.
- c. Process 3: Fastest change with least consultation. All changes made by September 2023. All First Schools converted for September 2022, with the final year 5 intake at Middle Schools in September 2021. An emergency variation does not provide sufficient consultation time before families will be asked to make a decision. Moreover, the Schools Adjudicator is the decision-making body for emergency variations and therefore the outcome of this application cannot be determined by current stakeholders.

26. Further details of the process timelines consulted on can be found in Appendix 11.

Consultation Findings

27. 270 responses were received to the Consultation Survey. Most respondents were parent carers (60%), members of staff at Worcestershire Schools (34%), and residents of Worcestershire (27%), other respondents included Governors and those with other vested interests. One response was received from a pupil at a Worcestershire School.

28. The full summary of the responses is outlined in Appendix 9 and key points summarised below:

- a. 95% of respondents felt they had been provided with sufficient information to decide on whether to support or challenge the proposals.
- b. Overall, respondents were in support of the proposals, with 78% agreeing and 16% disagreeing on the proposals to convert to a single tier structure in Pershore. A further 6% neither agreed nor disagreed.
- c. The most common reasons for supporting the proposals were a preference for children to stay at their (primary) school for 2 more years, fewer transitions, a preference for two-tier system, and support to keep First Schools viable.
- d. The most common reasons to not support the proposals were that the Middle Schools help with the transition to Secondary School from smaller schools,

a preference for the three-tier system and a feeling that it was being forced by other schools who had already changed to two-tier.

- e. Overall, respondents supported the quickest timescale for changes to take place, although there was some variance between school responses (Appendix 12).
- f. The breakdown of summary responses in Appendix 12 shows the spread of preferences against individual school proposals, which shows different preferences for different schools, therefore the overall preference cannot be viewed in isolation or used to form recommendations.

29. Some schools received very low numbers of responses to the survey, for example Pinvin CE First School and St Barnabas CE First and Middle School, however parental preferences (see paragraph 30) are showing most of the Year 6 parents applying for Year 7 places at Pershore High School.

Parental Preferences – School Admissions

30. For September 2022 the Year 7 places intake at Pershore High School was 181 first preferences for the 90 Year 7 PAN. In comparison, the 2021 Year 7 intake saw 109 first preferences received for the 90 places. This shows a significant shift in parental preference for Year 7 places at Pershore High for September 2022 (current Year 6 pupils).

31. For the Pershore High School Year 8 intake in September 2022, 238 pupils were admitted for 282 places, this is higher than 2021 intake of 221 pupils admitted.

32. Some Pershore First Schools have reported parents requesting to move their children into the Pershore Primary Schools in-year or in September 2022 as they believe this will increase their likelihood of a Year 7 place at Pershore High School. Pershore High School have admitted 90 Year 7 pupils this year in line with their current admission number.

33. The forecasting of school places in Pershore prior to 2022 Admissions highlighted an over-supply of places in Middle Schools. The 2022 Admissions preferences has shown most parent carers seeking to move into a two-tier system. This will exacerbate the efficiency and ability to improve standards at the three Middle Schools.

34. Based on the consultation feedback and parental preferences, Cabinet are recommended to agree a commitment in principle to support a collective change of age range to align schools in the Pershore Education Planning Area (EPA) to a single, two-tier (primary and secondary) system of education subject to funding being fully secured to ensure there is an agreed, clear and practical pathway for children to move on from each school affected by the change.

Proposals

Governing Body Proposals

35. Defford-cum-Besford and Fladbury require capital investment (as detailed in paragraph 51 and 52) to create the additional accommodation required for Year 5 and

6 pupils. Upton Snodsbury First School have accommodation they could utilise for one year of Year 5 pupils but would require capital investment (as detailed in paragraph 51 and 52) to create permanent accommodation required for Year 5 and 6 pupils.

36. Where a school is designated as having a religious character, they should ensure they have the consent of the trustees of the school, the Diocese or relevant diocesan board, or any other relevant faith body, where appropriate. The Diocese have confirmed their support for a coordinated approach to proposals and decision-making. These Governing Bodies have confirmed following consultation their support to continue with the proposed changes.

Local Authority Statutory Proposals

37. Abbey Park First and Nursery School (Community school) consulted to change the age range from First to Primary (from 3-9 to 2-11 years) including integrating pre-school school age children as pupils of the school. The Local Authority also consulted on increasing the number of pupils at Abbey Park Nursery and Primary School by 60 school age pupils, 30 Nursery pupils and 30 Pre-School pupils. Although this will not involve an enlargement of premises it is a permanent increase in capacity of the school by more than 30 pupils and 25%. The Local Authority is the sole proposer for such alterations including adding nursery provision and increasing the capacity of the school.

38. Abbey Park Middle School (Community school) consulted on amalgamating with Abbey Park First and Nursery School, to do so Abbey Park Middle School would be closed and the age range of Abbey Park First and Nursery School changed to accommodate the year 5 and 6 pupils. It is proposed the Year 7 pupils would attend Pershore High School as included in the Pershore High Admission Consultation. The Local Authority (LA) can propose these changes by following the statutory process. There is a strong expectation that schools and LAs will consult interested parties in developing their proposal prior to publication to consider all relevant feedback.

39. Abbey Park Nursery and Primary School will require capital investment (as detailed in paragraph 51 and 52) to remodel and refurbish parts of the First and Middle School buildings to create a Primary School.

40. If proposals are agreed for Abbey Park First and Nursery School to amalgamate with Abbey Park Middle School to form a 1FE Primary School, there will be surplus accommodation on this site. The initial feasibility study details options for this surplus accommodation. There may be opportunities to consider additional specialist education provision and/or multi-agency provision on this school site, taking into account the longer term need for school places in the Pershore EPA.

Academy Trust Statutory Proposals

41. The DoWMAT and Diocese have confirmed their preference to proceed in a collaborative approach to convert to a two-tier system.

42. Pershore High School (Avonreach Academy Trust) consulted to increase the overall physical capacity of the school to provide a Year 7 PAN increase from 90 to 282 places (included in the School's Admission Arrangement Consultation). Avonreach MAT have confirmed their intention to proceed to a fully collaborative two-tier system.

43. Pershore High has been named in the first 50 schools of the DfE rebuilding programme (SRP)²; the school, working with the Local Authority and DfE agreed to incorporate the surveys required for the additional accommodation into the feasibility study of the SRP. This work is underway and it is through this programme that the DfE have proposed to fund the additional accommodation for the larger pupil admission number.

Coordinated Approach

44. Where local provision is organised in three-tiers and the aim is to move to a two-tier age range, the DfE expects Academy Trusts to engage with the local community at the earliest opportunity and to provide details in their application of how they will work with Local Authorities and, where the school is designated as having a religious character, the trustees of the school and the appropriate religious authority (in the case of church schools the Diocese or relevant diocesan board), to ensure the change is implemented in a coordinated way.

45. Approval will only be given, in this context, where the DfE is satisfied that a coordinated implementation plan is achievable and can be delivered before the new age range of the academy is operational.

46. The Diocese and Local Authority continue to support a coordinated approach to proposals and decisions for the Pershore EPA to move to a two-tier pyramid.

Legal, Financial and HR Implications

Statutory Requirements

47. The Local Authority has a statutory duty to ensure a sufficiency of efficient school places for all children living in the Local Authority area who wish to access state-funded education with a view to promoting high standards and parental preference and diversity. The previous changes of age ranges and parental preferences for a two-tier system in Pershore is impacting on the distribution of places, creating surplus places in some schools and an over demand in Pershore High. Currently the Local Authority is meeting the sufficiency of places, yet the diminishing ability to provide the broad and balanced curriculum at Key Stage 3 in Middle Schools is causing a risk to standards. Movement of pupils out of small First Schools into Primary Schools will not support the long-term sustainability of small rural First Schools.

Financial Impact

48. Basic need allocations are paid to Local Authorities to support the capital requirement for providing new pupil places by expanding existing maintained schools, free schools or academies, and by establishing new schools. This is un-ringfenced capital funding that is not time-bound so that Local Authorities can make the best decisions for their local area.

49. The Local Authority does not receive capital funding for School Re-organisation. The Pershore Review was not instigated to resolve a lack of school places / basic need requirement or an increased need for places from housing growth. The aims of the

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

Pershore Review were to consider whether a re-organisation from a mixed tier system in Pershore to a consistent two-tier system would improve the educational journey for children and families and ensure longer term viability of all the schools in the area.

50. DfE guidance states that generally, the DfE does not provide funding for significant changes, and that Academy Trusts need to consider how to fund any associated costs in terms of capital funding.

51. The initial capital costs to deliver the accommodation changes of all proposals were estimated at a total of £4m across all schools and funding bodies, based on the cost per pupil place model. Costs were expected to increase due to time lag and the broader economic climate. In the Cabinet paper on 6 January 2022 a maximum capped borrowing of £1.3m has been allocated in the budget setting for the Capital Programme in relation to the Pershore Review for the Local Authority Maintained schools (Defford-cum - Besford, Fladbury, Upton Snodsbury and Abbey Park Federation).

52. Initial feasibility studies completed at each of the **Local Authority Maintained Schools** have estimated the capital investment required across these four schools could increase giving rise to a of capital funding required for the adaptations of between £400k-£800k. Any shortfall will need to be drawn from other sources including additional Basic Need capital, S106 Housing Developer contributions, school contributions, capital receipts (noting conditions agreed with DfE included in this report), or grant.

53. The DoWMAT have confirmed in writing the accommodation changes required at Crowle, Pinvin St Nicholas and St Barnabas schools will be funded by the MAT and do not require any underwriting by the LA. For some of these schools where Section 106 Housing Developer agreements are in place, and where additional permanent accommodation will be provided, these contributions will be reviewed to support the changes.

54. Avonreach MAT have confirmed they funded the adaptations to the Primary schools in their Trust and funded the additional staffing and resources required. Avonreach Multi-Academy Trust has confirmed they support the proposed change to two-tier in Pershore EPA.

55. The DfE School Rebuilding Programme conducted a feasibility to cost the additional **Year 7 places required at Pershore High School** for a consistent two-tier EPA. This study indicated an **indicative £4.3m** is required to create the additional accommodation. Local Authority Officers have been working with the DfE and Avonreach MAT to identify potential sources of funding to deliver the Year 7 places at Pershore High School. The DfE have confirmed in writing that, subject to a successful business case to HM Treasury the expansion of Pershore High school to accommodate the additional Year 7 places will be funded through the DfE School Rebuilding Programme (SRP). The SRP is now undertaking further feasibility work in relation to this project. The SRP will not fund any other works related to age range changes in this EPA.

56. Capital Receipts from within the EPA have been considered. The DfE LocatED³ Team have reviewed the education estate within the EPA and have identified potential for surplus parcels of land at both Pershore High School and Abbey Park Federation

³ LocatED – The government-owned property company creating much-needed school places for thousands of children

site. The DfE have requested that if the Local Authority determines disposal of the identified parcels of land, the capital receipt from this land would be repaid to the DfE for the expansion of Pershore High School up to a maximum amount of the final cost of the physical expansion of PHS to accommodate an additional 192 pupils.

Timescale Impact

57. Communication was sent out at the end of January 2022 to all stakeholders to confirm that changes from September 2022, was no longer possible. Further communication was sent out in March and April 2022 confirming WCF were continuing to work with the DfE and Multi-Academy Trusts to find a collective funding solution and therefore confirming to stakeholders that changes in First Schools in September 2023 and conversion to two-tier in September 2024 is also no longer possible.

58. Stakeholder feedback and parental preferences for September 2022 school places clearly indicated that most families want this to happen as soon as possible.

59. The following indicative milestone dates will now need to be met by all proposers and decision-makers to achieve a coordinated change to a two- tier system fully by September 2025:

By October 2022	Cabinet report with financial agreement and request to publish full proposals
November	HM Treasury decision to fully fund Pershore High School changes
By Jan 2023	Start 6-8 week Representation period for full proposals (Abbey Park and Fladbury)
By March 2023	DCS or CMR decision on full proposals
By April 2023	RSC / Advisory Board meetings for Academy School changes
By June 2023	Governing Body decisions
By June 2023	Seek planning consent for First School projects
July - September 2023	Start on site at First Schools
September 2024	First Schools take Year 5 pupils
September 2025	All First Schools and Middle Schools convert to Primary Schools AND Pershore High School takes all Year 7 pupils

60. If this timeline can be met, the pupils entering Year 3 in September 2022 would continue into Year 5 and 6 in their Primary School and then onto Year 7 at Pershore High School.

Staffing Impact

61. If proposals proceed, implications for schools would include reductions in some schools and the need for more staff in other schools. This does present a risk of potential redundancies and the costs associated with this. WCF Schools HR Team are providing support and guidance to individual schools and Trusts.

62. A small number of staff may be affected or at risk as a result of this change. For the two Academy Middle Schools, the DfE and ESFA are working with the Multi Academy Trust to minimise this impact. For the Local Authority Maintained School, Human Resources colleagues are working with the school to minimise any impact.

63. Legal advice will be sought regarding whether TUPE will apply to Year 7 staff currently working in Middle Schools if the service provision transfers to the High School. Given that TUPE is specific there will not be clarity at this stage.

64. The Local Authority will work with the schools to ensure every effort is made to minimise the impact on staff and avoid redundancies. WCF Officers and Academy School leaders will continue to update and engage with the relevant Trade Unions.

Curriculum Impact

65. Due to falling numbers of pupils in the Middle Schools, the curriculum at these schools affects the delivery of the Key Stage 3 (Year 7) teaching as students prepare to enter year 8. The DfE are supporting a revenue grant fund bid to support joint work between the Middle Schools and High School to address these concerns and ensure a strong and balanced curriculum during any period of transition.

SEN Resourced Provision

66. Abbey Park First and Middle and Pershore High School have Mainstream Autism Resources Base provision on site for children and young people with an identified Autism diagnosis and an EHCP naming resourced provision. There were no proposals as part of the consultation to alter this provision significantly apart from the age range for both bases in line with the school age ranges. WCF Officers will work with both schools to ensure any changes to these Bases lead to improvements in the standard, quality and/or range of educational provision for the children that attend.

Revenue Funding

67. Revenue implications for schools are yet to be fully determined. Whilst Middle Schools and some First Schools are likely to be at increased risk from financial deficits during the change period as pupil numbers decrease, Primary and Secondary Schools will have the increase in numbers and pupil-led funding. The revenue implications will be reviewed and carefully managed on a school-by-school basis. The WCF Schools Finance Team have provided guidance to all the schools in the Pershore Area in relation to the impact of proposals on schools funding, further queries from individual schools continue to be responded to also.

Transport Impact

68. Any proposed changes would have an impact on the Schools Transport budget. The Education Transport Team have confirmed that the policy can be managed during the transition stage to ensure pupils are still eligible for transport support irrespective of whether they apply for Primary or Middle School places during this stage. Further technical analysis will be undertaken to understand the implications for transport costs longer term.

Risk Implications

69. At present, there is a mixed two-tier and three-tier system in the Pershore Education Planning area. This mixed system is continually affecting the sustainability and viability of all remaining First and Middle Schools and therefore in the longer term the Local Authority is at risk of failing in our statutory duty to ensure a sufficiency of good school places in this area.

70. If the pyramid remains with individual and uncoordinated decisions for further age range changes it risks the small rural First Schools and the two Academy Middle Schools becoming financially unsustainable and risks the quality of education provision. WCF and WCC Officers are providing support and guidance to these schools to mitigate as much as possible financial and curriculum delivery impact.

71. Some schools are experiencing specialist staff choosing to leave ahead of decisions being made. There is a risk that schools will be unable to recruit and retain quality teaching staff during this period of uncertainty. The Academy Trusts and WCC Officers continue to offer support to these schools on a case-by-case basis.

72. There is a risk that Section 106 funding may not be able to contribute to changes depending on the details within specific agreements. There is also a risk that some agreements may not be able to be varied.

73. There is a risk that partners will not identify capital funding to contribute to the additional places required at Pershore High. This will likely prevent any further changes being agreed and limit parental preference for school places. The Local Authority would need to work with the Middle Schools to identify solutions to mitigate falling pupil numbers and retention of staff.

74. There is a risk that partners will not agree contributions of capital funding to contribute to the additional places required at Pershore High in time for decisions to proceed for First School changes to be implemented from September 2024. There is a possibility that the deadlines required for decisions (paragraph 59) will not be met. Changes would then take longer to implement.

75. Pershore area population includes a larger than average Gypsy, Roma, Traveller (GRT) community. Schools have engaged with those families known in their schools. There is a risk that GRT families might choose to withdraw their child(ren) from education at the end of year 4 (First Schools) and year 6 (Primary Schools) rather than transition to the next school. Joint work between schools, this community and other professional would focus on mitigating any unintended impact on this community group.

76. Capital costs are increasing due to the impact of Covid-19 on material costs, WCF and WCC are working together to monitor and manage the education capital programme accordingly.

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

77. A joint impact assessment (JIA) screening (Appendix 13) has been carried out in respect of the proposed options. It identified that further impact analysis will be required in respect of a full Equality & Public Health and Environmental Sustainability Impact

Assessment to identify and manage the impact of the proposed changes to those with protected characteristic, together with any mitigation should this be approved by Cabinet following consultation.

Supporting Information

- Appendix 1 – Map of Pershore EPA schools
- Appendix 2 – Pershore EPA schools
- Appendix 3 – Current Pershore EPA structure
- Appendix 4 – Percentage surplus school places
- Appendix 5 – Primary school numbers on roll and retention rates
- Appendix 6 – Middle school numbers on roll
- Appendix 7 – Proposers and Decision Makers
- Appendix 8 – Pershore Consultation Pack
- Appendix 9 – Pershore Consultation Responses
- Appendix 10 – Two-tier structure
- Appendix 11 – Process Timescales
- Appendix 12 – Breakdown of summary responses
- Appendix 13 - Joint Impact Assessment Screening

Contact Points

Specific Contact Points for this report

Sarah Wilkins, Director of Education, Early Years and Children with Disabilities.
Worcestershire Children First Tel: 01905 846082 Email:
swilkins@worcschildrenfirst.org.uk

Background Papers

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

- Cabinet Member Report February 2022 – [School Admission Arrangements](#)
- Cabinet decision on Change of Age Range Policy – [Cabinet on Thursday, 30 January, 2020](#)
- Cabinet Report School Sufficiency and Organisation for the Pershore Education Planning Area – [Cabinet on Thursday, 23 September, 2021](#)
- DfE guidance on school organisation changes – [School organisation: local-authority-maintained schools](#) and [Academies: making significant changes or closure by agreement](#)

CABINET
27 OCTOBER 2022**REDDITCH RAILWAY STATION**

Relevant Cabinet Member(s)

CMR for Economy and Infrastructure: Cllr Marc Bayliss

Relevant Chief Officer

Strategic Director for Economy and Infrastructure

Local Member(s)

Councillor Marshall and Councillor Fry (Arrow Valley West)
Councillor Akbar and Councillor Clayton (Redditch North)

Recommendation**1. The Cabinet Member with Responsibility for Economy, Infrastructure and Skills recommends that Cabinet:**

- (a) Notes the progress to date and supports the redevelopment of Redditch Railway Station;
- (b) Acknowledges the outcome of an options appraisal for Redditch Railway Station (Appendix 1);
- (c) Acknowledges estimates for the construction of Redditch Railway Station and related external works (Appendix 2);
- (d) Notes the allocation of £10m funding for delivering Redditch Railway Station which exists within the Capital Programme as set out in the Finance section of the report;
- (e) Authorises the Strategic Director for Economy and Infrastructure to obtain tenders for the works;
- (f) Authorises the Strategic Director for Economy and Infrastructure in consultation with the CMR for Economy, Infrastructure and Skills to enter into contracts for the construction of the works;
- (g) Authorises the Strategic Director for Economy and Infrastructure to enter into an agreement with Redditch Borough Council regarding the redevelopment of their land for public realm as part of the station redevelopment; and
- (h) Authorises the Strategic Director for Economy and Infrastructure to enter into an Asset Protection Agreement with Network Rail and any other agreements with the rail industry as required in the construction of the station and related works on their land.

Why is this decision important?

The decision to allocate £10m Rail Investment Capital Funding for Redditch Railway Station is being sought now, prior to entering into any contracts for the construction of the works and associated land acquisition. This reflects the commitments made in the Corporate Plan to invest in Redditch Railway Quarter in order to unlock growth and support our Open for Business ambitions.

Background

1. At its meeting on 18 March 2021 Cabinet confirmed support for the redevelopment of the 'Railway Quarter' (Redditch Railway Station and surrounding area) as a Gamechanger 2 site and endorsed the acquisition of land required to deliver the Railway Quarter proposals. The delegations relating to any land purchase to deliver the station scheme have therefore already been approved, with funding from the Council's Capital Programme for additional Rail Station Developments, including Gamechanger 2 Sites, subject to a financial assessment as set out in the 18 March 2021 Cabinet report.
2. Cabinet had previously delegated authority in November 2020 to the Strategic Director for Economy and Infrastructure for acquiring land adjacent to key rail nodes for the delivery of further "gateway" schemes in Worcestershire (Gamechanger 2 Sites).
3. The Capital Programme 2022-25 approved on 3 February 2022, allocated £11m towards Rail Investment to support and progress the Redditch Rail Quarter Programme and bring forward further car parking and rail investments.
4. A multi-disciplinary team was assembled to develop the Preferred Option design of a transport interchange to replace the existing Redditch Railway Station. The project team have engaged with stakeholders comprising West Midlands Rail Executive, Network Rail, West Midlands Trains and Redditch Borough Council in the development of the Preferred Option.
5. The Station was included within the Redditch Town Investment Plan and Redditch Borough Council's bid for Towns Fund Grant in January 2021, as reported to Cabinet at its meeting on 18 March 2021. Redditch Borough Council were not allocated sufficient grant funding to support all of the projects within the Town Investment Plan. Redditch Town Deal Board reviewed and reprioritised the projects that would be in receipt of the grant. Whilst the Board wanted to see the railway station project progress, no Towns Fund grant was awarded to the project.

Redditch Railway Station Objectives

6. The Redditch Town Centre Regeneration Prospectus acknowledges that the current Railway Station is an important gateway into Redditch Town Centre. However, in its current state it provides a poor first impression of Redditch for anyone arriving by train.

7. The redevelopment of the Railway Quarter as a strategic Gateway development will be designed to preserve and enhance the character of the surrounding area and provide better integration between the Station and the Town Centre.
8. Investment in the Redditch Railway Quarter is essential if Redditch is to be able to compete effectively with nearby towns for economic activity and growth, and to attract more residents and visitors into Redditch Town Centre.
9. The redevelopment of Redditch Railway Quarter aims to create an integrated multi-modal transport interchange as a modern attractive gateway to Redditch and maximising the town's position as the final destination on the Cross-City railway from Birmingham. The project has the following objectives:
 - a. Create a modern attractive gateway and customer experience for commuters and visitors;
 - b. Create a multi-modal interchange with accessibility for all users;
 - c. Enhance station amenities and accessibility sufficient to meet Redditch's 1.1 million trips p.a. and allow for 8-22% passenger growth between 2020 and 2035;
 - d. Greater connection between Redditch town centre and the Railway Quarter for all;
 - e. Create safe and secure environment for all users public and staff;
 - f. Create a sustainable and green environment and reduce carbon consumption;
 - g. Support the regeneration and future development of land within the Redditch Railway Quarter.
10. It is anticipated that the overall objectives cannot be achieved in a single phase and that the redevelopment of the Railway Quarter will be phased.
11. An Options Appraisal for the first phase, Redditch Railway Station, was undertaken by the Design Team and the Preferred Option visualisations for the station are shown in Appendix 1.
12. The Preferred Option for Redditch Railway Station will deliver the following:
 - a. an attractive and accessible first impression to visitors to Redditch;
 - b. Improve integration for rail users between the station, Kingfisher Centre, bus station and the Town Centre for onward journeys with improved opportunities for active travel and sustainable transport options
 - c. a new attractive two-storey station building with modern, fit for purpose facilities such as passenger seating area, a retail/café unit and passenger toilets;
 - d. enhanced station amenities and improved accessibility to meet modern standards and future passenger growth forecasts;
 - e. Direct to Unicorn Hill and public realm at the upper level and lower-level access to platform and car parking;
 - f. cycle storage areas to promote active travel to and from the station for cyclists;
 - g. Improved drop off and pick-up facilities within the car park;
 - h. Creation of new attractive Public Realm area in front of station as a green and leisure environment connecting to the Redditch Town Centre Town's Fund Public Realm scheme;

- i. Consideration and treatment of adjoining landholdings as part of the overall scheme;
- j. Highways modifications across Unicorn Hill, creating an upgraded crossing and access to the existing bus interchange and the Kingfisher Centre, improving safety;
- k. Providing greater connectivity with the bus station by using smart technology for better real-time digital information to help people use sustainable transport for their journeys;
- l. opportunity in a future development phase to evaluate deploying a mobility hub and digital real-time information to aid sustainable travel options;

Land and Legal

- 13. The Cabinet delegation of 18 March 2021 endorses the proposal to acquire the land required to deliver the Railway Quarter proposals by means of private treaty in the first instance and if necessary, through the making of Compulsory Purchase Order (CPO) subject to agreement with the Cabinet Member for Responsible for Economy and Infrastructure.
- 14. On the basis that the Council will invoke section 226 of the Town and Country Planning Act 1990 for the purpose of exercising its compulsory purchase powers, the confirming authority will be the Secretary of State for Homes and Communities.
- 15. Redditch Borough Council (RBC) own a plot of land within Phase 1, which enables pedestrian access to the existing and proposed station building from the public highway. There is no intention to acquire the RBC land and the development and future maintenance of the Public Realm land will be the subject of a multi-party agreement between Worcestershire County Council, Redditch Borough Council and Network Rail Infrastructure Limited.
- 16. Network Rail owned land will be subject to a Third-Party Asset Protection Agreement between Worcestershire County Council and Network Rail which is required to permit work on their assets and ensure safeguarding of railway infrastructure.

Planning and Policy

- 17. Further to consultation with Planning Officers at Redditch Borough Council and Worcestershire County Council, it has been confirmed that the determining Local Planning Authority for the application will be Worcestershire County Council under Regulation 3 of Town and Country Planning General Regulations 1992.
- 18. In the interests of stakeholder engagement, officers will continue to hold joint pre-application discussions with both authorities going forward.
- 19. The development of a strategic Gateway into Redditch through the Redditch Railway Station is aligned to the County Council's Corporate plan priority of Being Open for Business by attracting more residents and visitors into the town to support continued economic growth. The Redditch Transport Interchange and Railway Quarter is a key town centre revitalisation project in the WLEP's Worcestershire's Plan for Growth

2020 – 2040 by ensure Redditch continues to meet the needs of the local communities it serves.

20. The redevelopment of Redditch Railway Station will provide better transport connections between the station, the bus station and active travel options such as walking and cycling. This is aligned to the Local Transport Plan (LTP4) and County Council's Corporate plan priority of Being Open for Business by better connecting our places, our people and our businesses across Worcestershire.
21. The redevelopment of Redditch Railway Station is detailed as a key output of the Worcestershire Rail Investment Strategy 2 (WRIS) 2022-2050, presently under consultation. This Strategy updates the original WRIS adopted in 2017, reflecting the changes in the industry, ongoing recovery from covid, review of local plans and achievements to date. It sets out the priorities for rail investment in the county, recognising the need for partnership across the rail industry to ensure delivery.
22. The County Council's Corporate plan priority of Protecting The Environment is supported with the investment in Redditch Railway Station to enhance and increase cycle parking at the station with improved pedestrian access for active travel and onward connection to bus services. With this brings the benefit of reducing emissions whilst also contributing to healthier, active lifestyles and improved sustainable travel options.

Procurement Strategy

23. Based on current market conditions, the County Council proposes to proceed on the basis of a two stage Design and Build contract (post Outline Design) based on NEC 4 terms and conditions. The incumbent Design Team will produce the Outline Design and gain Network Rail approval in principle (AIP).
24. The procurement programme includes early soft market testing. This strategic approach will be reviewed after the market engagement to ensure that it remains fit for purpose and to mitigate risks.

Funding

25. Getting Building Fund (GBF) has provided £1m investment for the development of the Business Case for the Preferred Option.
26. The WCC Capital Programme 2022-25 which was approved on 3 February 2022, allocated £11m to Rail Investment.
27. The total estimated cost of the capital works to deliver the station scheme is £10m. As seen in Appendix 2
28. The Redditch Transport Interchange has a proposed investment of £10m from the total £11m Capital Programme for Rail Investments.

Programme Phase 1

29. The following programme for the delivery of Phase 1 is based upon all required land assembly being in place:

- a. Market engagement for 2 stage Design and Build contract by Q3 2022/23
- b. Tender process and award for 2 stage design and build contract by Q1 2023/24
- c. Outline design approval by Q3 2023/24
- d. Full planning consent by Q4 2023/24
- e. **Land acquired by Private Treaty** Q3 2023/24
- f. Site works commencement Q2 2024/25
- g. Completion of Phase 1 for Q4 2025/26

30. If Compulsory Purchase is required, then the following programme applies:

- h. **Land acquired by CPO** Q4 2024/25
- i. Site works commencement Q4 2024/25
- j. Completion of Phase 1 for Q3 2026/27

Financial comments

31. The Capital Programme has identified and set aside £11 million within the Capital Programme for the Rail Investment Strategy including development of the Redditch Railway Quarter. The estimated revenue cost of this borrowing is £0.500 million and will be sought from savings within the medium-term financial plan.

32. The Cabinet report supporting approval of the initial allocation noted that developments would be taken following “consideration of a full and robust business case”. A business case for Redditch is in progress and at this stage the Chief Financial Officer is satisfied that the funding envelope is sufficient to undertake a development of the rail site. Should the costs be greater than the funds available or reflect poor value for money the project will need to be brought back to Cabinet for further consideration and identification of funds if appropriate.

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

33. The screening for Equality and Public Health, Data Protection and Sustainability Impact Assessment has been completed which resulted in the requirement for a full Equality and Public Health and Sustainability Impact Assessment to be carried out. These have been submitted and signed off by WCC.

34. The project is also obliged to adhere to Network Rail's Diversity Impact Assessment (DIA) process which requires submission of the assessment to Network Rail's Built Environment Access Panel for review. This process is comparable to the Council's Equality Relevance Screening process.

Risk Implications

35. Continued rising inflation in the UK economy will increase the capital costs. The rate of inflation of 16.15% has been used in the cost estimates.

36. Continued market conditions with issues around supply and escalating prices in materials will affect the programme and budget. The procurement of a 2 stage Design and Build contract will benefit from early market engagement to mitigate those risks where possible.

37. If any land interests are required, then a CPO may delay the programme unless agreements can be met in a timely manner to purchase them through private treaty.

38. Design development may identify additional costs which may need to be mitigated through value engineering and descopeing within the scheme.

39. Ground surveys may reveal ground conditions, contaminated land and remediation measures. Surveys to be undertaken at the next phase.

Supporting Information

- Appendix 1 - Scheme Visualisations
- Appendix 2 – Cost estimates
- Appendix 3 – Location Plan of the proposed site
- Appendix 4 – Joint Impact Assessments

Contact Points

Specific Contact Points for this report

John Hobbs, Strategic Director for Economy and Infrastructure

Email: JHobbs@worcestershire.gov.uk

Background Papers

In the opinion of the proper officer (in this case the Director of Economy & Infrastructure) there are no background papers relating to the subject matter of this report.

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CABINET
27 OCTOBER 2022**TREASURY MANAGEMENT MID-YEAR UPDATE TO 30**
SEPTEMBER 2022

Relevant Cabinet Member

Mr S E Geraghty

Relevant Officer

Chief Financial Officer

Recommendation

1. **The Cabinet Member with Responsibility for Finance (who is also the Leader of the Council) recommends that Cabinet:**
 - (a) **notes this report, recognising that the Council is operating within its approved Treasury Management Strategy; and**
 - (b) **endorses his conclusions that the Treasury Management activities continue to be cost effective.**

Introduction

2. This mid-year report to 30 September 2022 has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:

- An economic update for the first part of the 2022/23 financial year
- A review of the Council's investment portfolio for 2022/23
- A review of the Council's borrowing strategy for 2022/23
- A review of compliance with Treasury and Prudential Limits for 2022/23.

Economic Update

3. The Council's in-house team of qualified finance staff monitor and maintain the Council's Treasury Management activity in line with the Council's Strategy. The Council employs Link Group as its treasury management advisor and officers hold regular meetings with them concerning existing and future potential economic circumstances regarding both investments and short/long-term borrowing.
4. The last two quarters have undergone a significant change in the economic position and outlook. The Country was already experiencing a period of growing inflation and economic impact from the conflict in Ukraine, as well as other global factors such as the strength of the US Dollar whilst others have seen a quickening of monetary policy tightening. Recently the UK has also seen a significant increase in its interest rates, and more rises are forecast by advisors.

5. The Monetary Policy Committee (MPC) - [Bank of England Monetary Policy Report August 2022](#) has stated that the UK is in for five quarters of recession starting in Quarter 4 2022 and running all the way through to the end of 2023. In the interim, it is projected that CPI inflation will exceed 11% in Quarter 4 2022. Half of this increase can be attributed directly to gas/electricity price inflation and a further 2% - 2.5% to the indirect knock-on effects of higher energy on production/services.
6. A Government “mini-budget” took place on 23 September 2022 followed by a further Chancellor’s Statement to the House of Commons issued on the of 17th October 2022. The Government has announced that the OBR will scrutinise their spending plans and in the Statement on 31st October. At this stage therefore it is too soon to assess the impact this will have on our Treasury Management Policy or funding for the Council. Further updates will thus be given to Cabinet it is expected in November 2022 and January 2023.
7. In putting together our interest rate forecasts it is worth noting that should US inflation continue to be high for a longer period (currently the CPI reading is 8.8%) and the jobs reports continue to be on the upside (315,000 new jobs reported in August and unemployment at near to a record low of 3.7%), there is the prospect that any downward momentum in UK yields could be offset by Treasury yields shifting higher. Conversely, yield falls could also be supported by the Fed’s determination to get inflation down in the US through robust monetary policy tightening.
8. Regarding gilt yields, these have been increasing since the turn of the year, but that march has been accompanied by significant bouts of volatility that have sometimes been not only hard to explain but also difficult to predict, including the direction of travel. Our best judgment is that gilt yields across the curve have a little further to rise but only by 20 – 30bps, so a lower peak than our advisers were forecasting back in June.
9. Further down the road, our advisors anticipate the Bank of England will be keen to loosen monetary policy when we should see inflation fall, but that timing will be one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and the forecast recession may be prolonged.
10. The CPI measure of inflation our advisors and the MPC suggest will peak at upwards of 11% in Q4 2022 with the MPC noting the influence gas/electricity price increases have on this number, and whether wages data is normalising. Currently wages are rising at above 5.2%, excluding bonuses, and above 5.5%, including bonuses. Despite the cost-of-living squeeze that is still taking shape, the Bank will want to see evidence that wages are not spiralling upwards in what is evidently a very tight labour market, where employers are out-bidding each other to ensure they have the pick of a limited labour pool.
11. A consequence of all of that has seen PWLB rates fluctuate. Since our last update and PWLB 5 to 50 years Certainty Rates are, generally, in the range of 4.1% to 4.4%. Although, without the Bank of England intervening to start a form of additional Quantitative Easing, targeting long term gilt yields, we could have been seeing rates of between 5% and 6%.
12. We view the markets have now built in already, nearly all the effects on gilt yields of the likely increases in Bank Rate and the poor inflation outlook. But the situation is still very volatile.
13. Overall therefore the balance of risks to economic growth in the UK is to the downside at this stage which we feel will see a period of rising interest rates.

Interest Rate Forecast

14. The Council's treasury advisor, Link Group, has provided the following forecast in Table 1 below:

Table 1: Interest Rate View – Link Group

Link Group Interest Rate View 27.09.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
BANK RATE	4.00	5.00	5.00	5.00	4.50	4.00	3.75	3.25	3.00	2.75	2.75	2.50
3 month ave earnings	4.50	5.00	5.00	5.00	4.50	4.00	3.80	3.30	3.00	2.80	2.80	2.50
6 month ave earnings	4.70	5.20	5.10	5.00	4.60	4.10	3.90	3.40	3.10	3.00	2.90	2.60
12 month ave earnings	5.30	5.30	5.20	5.00	4.70	4.20	4.00	3.50	3.20	3.10	3.00	2.70
5 yr PWLB	5.00	4.90	4.70	4.50	4.20	3.90	3.70	3.50	3.40	3.30	3.20	3.20
10 yr PWLB	4.90	4.70	4.60	4.30	4.10	3.80	3.60	3.50	3.40	3.30	3.20	3.20
25 yr PWLB	5.10	4.90	4.80	4.50	4.30	4.10	3.90	3.70	3.60	3.60	3.50	3.40
50 yr PWLB	4.80	4.60	4.50	4.20	4.00	3.80	3.60	3.40	3.30	3.30	3.20	3.10

15. **Link Group Borrowing advice:** Our long-term (beyond 10 years) forecast for Bank Rate stands at 2.5%. As all PWLB certainty rates are now above this level, borrowing strategies will need to be reviewed in that context. Better value can generally be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should be considered. Temporary borrowing rates are likely, however, to remain near Bank Rate and may also prove attractive whilst the market waits for inflation, and therein gilt yields, to drop back later in 2023.

Council's Investment Portfolio as at 30 September 2022

16. In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. The continuing war in Ukraine and subsequent cost of living crisis caused by high energy costs, high inflation, and the anticipation that the UK could be entering a recession and uncertainty concerning calls on the Council's cash, prompts a low risk and short-term strategy.

17. We tend to hold investments with the Debt Management Office (DMO), which is part of HM Treasury, as well as highly rated Money Market Funds, highly rated bond funds and with our bank, Barclays. In addition, from time to time, when the Cashflow Forecast indicates that our cash balances will support it we place investments of up to 1 year with other local authorities.

18. There has been significant press coverage around some local authorities, who have taken these types of deposits and used them to fund their own longer-term commercial investments, some of which have been less than successful. CIPFA has now updated its Prudential Guidance to attempt to minimise this risk going forward. Worcestershire is following this guidance and practice.

19. As security of funds is the first key element of our investment strategy it should be noted that to date, none of these authorities have defaulted on their debt (our investment is their debt). In all cases the UK Government has stepped in to provide support and liquidity. There is no reason to believe that this situation will change, and therefore most Local

Authorities will be rated on a par with the UK Government by rating agencies. To date all of Worcestershire CC's investments have been repaid with full interest.

20. Against this backdrop, the Council held £45.6 million of investments as at 30 September 2022 (£62.7 million at 31 March 2022) and the investment portfolio yield for the first 6 months of the year is 0.94% against a benchmark (7-day LIBID) of 0.06%. Gross income from treasury investments for the first 6 months of the financial year was £0.2 million, which is equal to 73% of the target for the whole financial year. (Details of Investments held as at the end of September can be found in Appendix 2).

Council's Borrowing Strategy as at 30 September 2022

21. The Council's borrowing activity for the first 6 months of the financial year can be summarised as follows:

- a) £20m of new loans were taken between 1 April and 30 September 2022.
- b) £12.5 million of debt matured between 1 April and 30 September 2022.
- c) There was £492.3 million of debt outstanding as at 30 September 2022 at an average rate of 3.279%. this included £32.5m of debt taken to support Pension Prepayments, that is due to mature by March 2023.

22. Whereas the Council has previously relied on the PWLB as its main source of funding, with a potential change in rates forecast it will now need to consider alternative cheaper sources of borrowing.

23. There is a very active Local Authority to Local Authority market, which provides the opportunity to borrow short term (1 month to 3 years) from other Local Authorities, at rates which are lower than those available from the PWLB.

24. As an authority we should always be mindful that the underlying purpose of our borrowing requirement is to help fund the Capital Programme, which generally includes the creation or improvement of assets with asset lives of between 5 and 50 years. It is therefore best practice to seek out borrowing on a similar basis. However, when revenue budgets are tight it is also important to identify ways in which we can minimise debt interest costs. Provided it is carried out in moderation, borrowing a proportion of the debt pool on a short-term basis can provide interest cost savings, without exposing the authority to excessive liquidity and interest rate risk.

25. It is important to differentiate between: -

- the underlying need to borrow which is assessed through the Capital Strategy, Capital Programme and Treasury Management Strategy Statement, which consider and include, cost benefit analysis, asset value assessments, due diligence, and affordability considerations amongst other factors, and
- sources of finance, be those PWLB, Banks, other Local Authorities, which are assessed on credit rating, reliability, and interest rates.

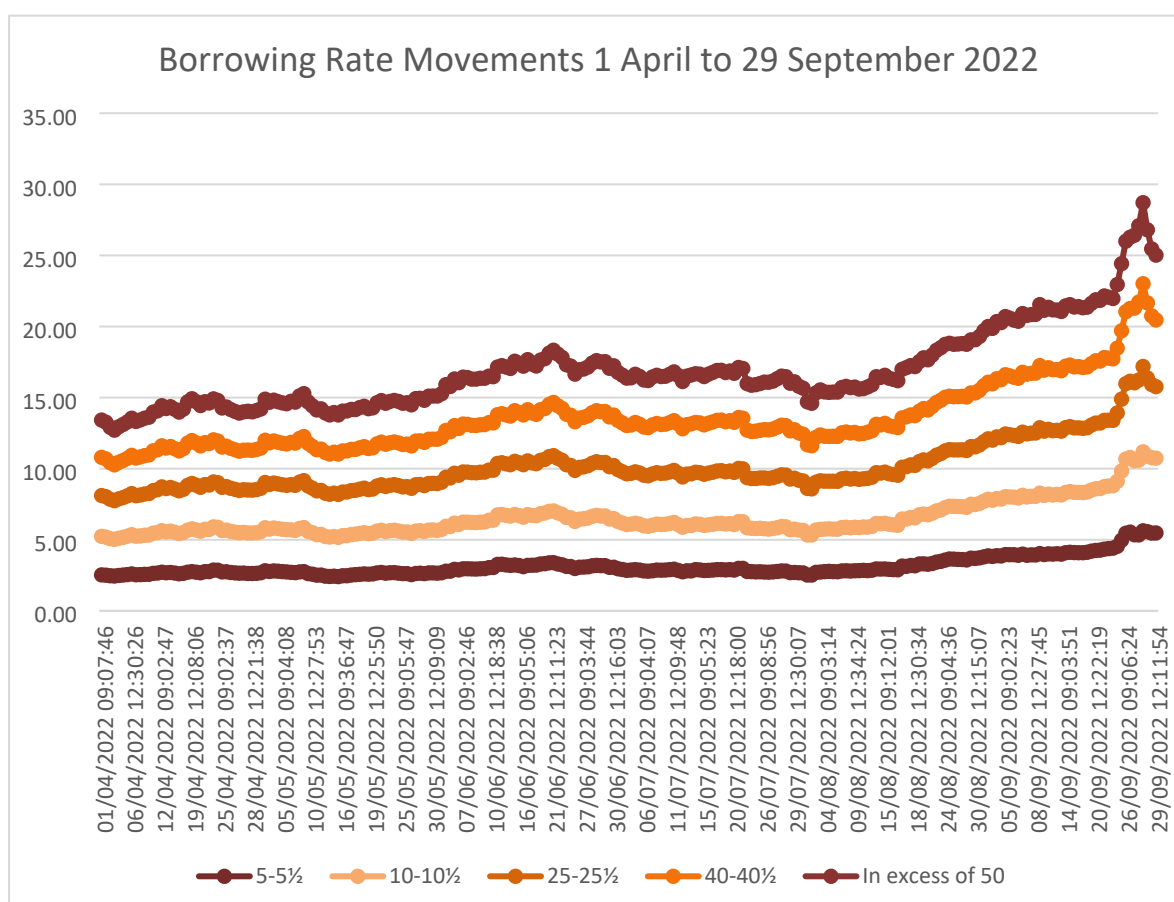
26. It is possible that the Municipal Bond Agency will be offering loans to the wider local authorities' market in the future. This Authority may make use of this new source of borrowing as and when appropriate.

27. The Authority also minimises debt costs by delaying the externalisation of its debt. This is known as internal borrowing or under borrowing. The Authority effectively manages down its cash and investment balances before seeking to take on further external debt. This strategy is highly effective at reducing interest costs (especially as borrowing rates tend to be higher than investment rates, which creates a cost of carry for the Authority), however, at some point, if the planned capital expenditure takes place, or the reserves balances fall, the cash and investments alone cannot fund it. At that point further external debt is taken. As an Authority we manage our cash flow with great care and attention, to minimise the liquidity and interest rate risks involved in applying this strategy, whilst maximising revenue savings.

28. Further detail of Council Debt as at the 30 September 2022 can be found in Appendix 3.

29. Borrowing rate estimates provided by our Treasury Advisers for this Financial Year to date can be seen in the following chart and reflect the steady rise in rates so far.

Chart 1: borrowing rates 1 April to 30 September 2022



Compliance with Treasury and Prudential Limits for 2022/23

30. Original and latest projections for external debt and the Capital Financing Requirement, against the Operational Boundary and Authorised Limit are shown in Table 2 below:

Table 2: Prudential Indicator Monitoring

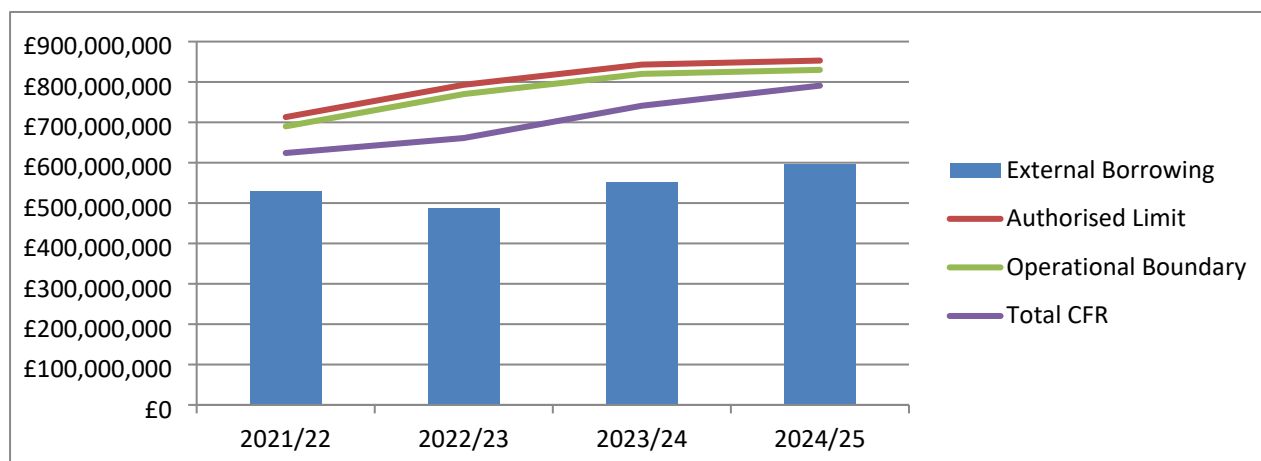
	2022/23 Original Estimate £m	Current Position £m	2022/23 Revised Estimate £m
Prudential Indicator – Capital Financing Requirement	Prudential Indicator – Capital Financing Requirement	Prudential Indicator – Capital Financing Requirement	Prudential Indicator – Capital Financing Requirement
CFR	748.2	741.1	741.1
Prudential Indicator – the Operational Boundary for external debt	Prudential Indicator – the Operational Boundary for external debt	Prudential Indicator – the Operational Boundary for external debt	Prudential Indicator – the Operational Boundary for external debt
Borrowing	770.0	760.0	760.0
Other long term liabilities	10.0	10.0	10.0
Total	780.0	770.0	770.0
Prudential Indicator – the Authorised Limit for external debt	Prudential Indicator – the Authorised Limit for external debt	Prudential Indicator – the Authorised Limit for external debt	Prudential Indicator – the Authorised Limit for external debt
Borrowing	790.0	780.0	780.0
Other long term liabilities*	13.0	13.0	13.0
Total	803.0	793.0	793.0
Total debt (year end position)	550.3	492.3	585.0

31. The Council is well within the Limits for outstanding debt and is projected to remain so for 2022/23.

32. The following table, Table 3, shows the relationship between the Authority's Capital Financing Requirement (CFR - which is the past and future capital expenditure which will be funded through borrowing), the Approved Limit, Operational Boundary and External Borrowing.

33. It clearly shows that the projected path of existing external debt remains within both the limits and the CFR.

Table 3: Relationship between External Debt, CFR and Approved Limits



34. The following table, Table 4, shows the extent to which the CFR has been externalised to date: -

Table 4: Breakdown of Debt

Financial Year	2020-21 Actuals (£m)	2021-22 Actuals (£M)	2022-23 Estimates (£M)	2023-24 Estimates (£M)	2024-25 Estimates (£M)
CFR	624	661	741	791	800
External Debt	528	486	585	597	603
% of CFR	84.59%	73.54%	78.95%	75.46%	75.32%
Internal Debt	96	175	156	194	198
% of CFR	15.41%	26.46%	21.06%	24.54%	24.68%

35. This shows the extent to which external debt has been avoided, however, it does rely on utilising cash backed reserves and investment balances being used. Therefore, should cash backed reserves fall, or cash balances fall, then external borrowing, or reduced expenditure will be required.

36. As mentioned in Paragraph 30 above, borrowing is usually taken to support the Capital Programme and its creation/purchase/improvement of long-term assets. As such you would expect to see a Debt Maturity Profile skewed towards the long end. As you can see below, the Authority has exactly that type of profile.

37. The Maturity Profile for the Council's debt compared with the prudential indicators for the Maturity Structure of Borrowing as at the 30 September 2022 is in Table 5 below:

Table 5: The Maturity Profile for the Council's debt as forecast at 31/03/23

Maturing within	£m	% of Total Debt	% Lower/Upper Limit for Debt
1 year	10.0	1.71	0-25
1 – 2 years	45.766	7.82	0-25
2 – 5 years	27.876	4.76	0-50
5 – 10 years	28.937	4.95	0-75
10 years and over	472.453	80.76	25-100
Total	585.032	100.0	

38. The Council remains comfortably within its limits for the Maturity Structure of Borrowing and is anticipated to remain so for the foreseeable future.
39. The Chief Financial Officer and the Cabinet Member with Responsibility for Finance confirm that the management of debt and short-term investments continues to be cost effective.

Legal Implications

40. Legal advice will be provided to support any changes in service delivery in accordance with the requirements of the Council's policies and procedures.

Financial Implications

41. Members are required under Section 25 of the Local Government Act 2003 to have regard to the Chief Financial Officer's report when making decisions about the budget calculations for each financial year. This is undertaken through the approval of the annual budget in February each year.
42. Section 25 of the Act also covers budget monitoring and this process monitors the robustness of budgets, adequacy of reserves and the management of financial risk throughout the year. This Cabinet report highlights forecast variances arising from current financial performance and the possible impact of existing pressures on future expenditure so that appropriate action may be taken.
43. In discharging governance and monitoring roles, Members are asked to consider the issues arising and the potential impact on the budget as well as the financial risks arising.
44. The Council's procedures for budget monitoring is reinforced through close financial support to managers and services on an ongoing basis to ensure processes and controls are in place to enable tight financial control.

HR Implications

45. There are no HR considerations as Council's treasury management budgets are operational financial budgets and do not include any staffing costs. Further, there are no

proposals to alter any staffing arrangements employed in the management of these services.

Equality Duty Considerations

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

Risk Implications

47. The Cabinet report includes recommendations regarding endorsing the Council's activity to date for 2022/23 which specifically relates to managing interest rate risk and any risk of default in repayment of investments.

Privacy and Public Health Impact Assessment

48. This report is about confirming the treasury management activity at this stage of the year reflecting the cash implications of existing Cabinet decisions and policies.

49. Taking this into account, it has been concluded that there are no specific health impacts because of new decisions arising from this Cabinet report.

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

Supporting Information (available electronically)

- **Appendix 1** – Treasury and Prudential Indicators as at 30 September 2022
- **Appendix 2** – Investment Portfolio as at 30 September 2022
- **Appendix 3** – Borrowing Portfolio as at 30 September 2022

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 Chief Financial Officer) the following are the background papers relating to the subject matter of this report:

Previous Cabinet Resources Reports

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