

Worcestershire County Council

Agenda

Cabinet

Thursday, 22 September 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, 22 September 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

Item No	Subject	Page No
1	Apologies and Declarations of Interest	
2	Public Participation Members of the public wishing to take part should notify the Assistant Director for Legal and Governance in writing or by e-mail indicating both the nature and content of their proposed participation no later than 9.00am on the working day before the meeting, in this case Wednesday 21 September. Further details are available on the Council's website. Enquiries can also be made through the telephone number/e-mail address listed on the website and in the agenda.	
3	Confirmation of the Minutes of the previous meeting The Minutes of the meeting of 21 July 2022 have been previously circulated.	
4	Open for Business Programme	1 - 16
5	Implementing the DfE Multiply Programme	17 - 24
6	Award of the Contract for Kepax bridge and Adjustments to the Capital Programme	25 - 28
7	Major Road Network Schemes (North West Worcestershire Corridor and A44/A4538)	29 - 34
8	Revenue and Capital Budget Monitoring period 4 2021/22	35 - 56

NOTES

Agenda produced and published by Sheena Jones, Democratic Governance and Scrutiny Manager and Interim Monitoring Officer, County Hall, Spetchley Road, Worcester WR5 2NP

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.

Item No	Subject	Page No
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- **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

22 SEPTEMBER 2022

OPEN FOR BUSINESS

Relevant Cabinet Member

Councillor M Bayliss

Relevant Chief Officer

Strategic Director for Economy and Infrastructure

Local Member(s)

N/A

Recommendation

- 1. The Cabinet Member with Responsibility for Economy, Infrastructure and Skills recommends that Cabinet:**
 - (a) Delegates responsibility to the Cabinet Member with Responsibility for Economy, Infrastructure and Skills to oversee the implementation of the Open for Business programme and approve future business cases for such investment, from the Open for Business Reserve and/or the Open for Business Capital Programme, up to £0.5 million per project;**
 - (b) approves the Governance Structure of the Open for Business Board as set out in this report; and**
 - (c) notes the schemes already completed and underway as part of the Open for Business Programme and its successes to date and approves relevant reserve and capital programme allocations to be spent on the proposed projects as listed in this report, namely Business Worcestershire, Visit Worcestershire, and Workforce Resilience.**

Background

2. Worcestershire County Council set out its vision of creating a prosperous Worcestershire and recognised that improving economic prosperity is a vital driver for realising it.
3. A Cabinet report in February 2013, established the Open for Business Board and the original budget of £3m to deliver the ambitions of the Council's Corporate Plan. Over time additional funding has been provided through the budget setting process and additional COVID Government funding to support local businesses impacted by the pandemic.
4. The Open for Business programme has been highly successful supporting a series of projects to aid the skills agenda, including the Connecting Schools and

Business, Here2Help Business support enacted during COVID to help businesses continue during the pandemic and recover, and the Apprenticeships programme.

5. Capital Infrastructure programmes have also been supported through the Open for Business programme which have unlocked significant economic opportunity which include projects such as Malvern Hills Science Park, Redditch Railway Station, Shrub Hill, Worcester Six Business Park.

6. The Open for Business Board has also supported our local businesses to start, grow, adopt new technologies and innovate. This investment has aided Worcestershire businesses through a portfolio of business support projects, part funded by European Regional Development Fund and more recently through the pandemic achieved by the Here2Help programme.

These interventions have resulted in the following outcomes and outputs:

- Businesses Assisted **1,323**
- Business pre-start assists **928**
- **£15m** of Business Grant funding
- **£24.9m** Private Sector Investment
- **595** Jobs Created
- **820** Jobs Safeguarded
- **50** new Graduate placements
- **£5.1m** leverage from private sector matched funding
- Feasibility and Options appraisals for a range of capital schemes resulting in **£16,650m** of successful external funded bids, enabled by OfB.
- Number of Businesses joined the One Worcestershire programme **605**
- **36** 'One Worcestershire' events
- Leveraged the equivalent advertising value of **£792,000** through 'One Worcestershire' programme
- Businesses Engaged in school activities **551**
- Step-up and operation of the first 5G testbed network – nexGworx at Malvern Hills Science Park.

7. As detailed within the 2022 – 2027 Corporate Plan, “Open for Business” remains a key priority for Worcestershire County Council. The Council’s commitment is vital to enable a successful and growing local economy which will generate wealth for residents and businesses.

8. The Open for Business Board is an internal mechanism to decide on County Council investment priorities and provides governance and oversight of this budget. Given it is over a decade now since this Board was established the Council has taken this opportunity to review the Terms of Reference for the project board to ensure they remain fit for purpose and aid sound decision making. This report therefore proposes an update to this for approval, which is detailed at Appendix 1.

9. As detailed in the 2022 – 2027 Corporate Plan, the Open for Business programme proposes a series of high-level outcomes to guide its work and investments including the following guiding principles:

Our Plan for Growth – The Economic Strategy

10. To enable a modern and dynamic economy, embracing new technologies and providing businesses and residents with more opportunities, for it to accelerate our recovery from the pandemic and attract further investment and opportunities to Worcestershire.

11. We continue to engage and work closely with local businesses to understand their needs and how we can best support them to unlock their growth potential. Our proactive approach has already paid dividends, with significant growth in strategic investment sites.

12. Well managed, successful locations are great places to work but also live as well as to visit. The Council will therefore work with its partners under the banner of the 'One Worcestershire' programme to ensure collaborative with other funding sources. Also raise the profile of the County locally, nationally, and internationally as a place to live, work, learn, visit, and invest.

A Connected County

13. Leading the way in the transformation of Worcestershire's connectivity. Having good transport and digital infrastructure is a pre-requisite to attract and retain high-tech and knowledge intensive businesses and building a resilient and dynamic economy for the future.

14. Our continued investment in transport seeks to better connect our places, our people and our businesses across Worcestershire and beyond. We continue to work closely with partners, including Midlands Connect, National Highways, the rail industry and other regional bodies to make the most of our geography and strategic assets.

Delivering Strategic Investment Sites

15. Worcestershire has a strong track-record in delivering key investment sites – including Worcester Six Business Park, Redditch Gateway and Malvern Hills Science Park. We are providing more employment land for businesses seeking to expand in Worcestershire.

16. Our ambitions for the County mean we will continue to work closely with partners to bring forward further strategic investment sites. These will provide flexible investment opportunities, and cater for major market led investment, or as high-growth hubs for start-up businesses to expand.

Investing in the Workforce

17. Having a high-skilled workforce is vital to supporting economic growth and attracts further investment – particularly in better paid jobs that are a priority to bring to the County to help increase the average salary of our residents.

Proposed Open for Business projects for Cabinet approval

18. Three projects were recently presented, assessed, and appraised by the Open for Business Board. After due consideration the Board's view was that all three should be recommended to Cabinet for approval. The three projects are detailed in the following paragraphs.

A) Visit Worcestershire

19. Visit Worcestershire is the County's Destination Marketing Organisation (DMO) and plays an important role supporting the county's £990m tourism economy. In addition to visitors, it also provides an information service for residents. Visitors are looking for a diverse comprehensive wide-reaching variety of activities and attractions that only the whole county can provide.

20. Ultimately, it's the job of the DMO to attract people to the destination, inspire them to stay longer and spend more money. To do so, the DMO needs to focus on the things that make the destination unique and make people want to visit – which is the approach Visit Worcestershire has taken over the last two years.

21. Visit Worcestershire plays an important role supporting the county's tourism economy. Over the coming years, the focus and application for Visit Worcestershire will be:

Objective One: Visitor Experience & Marketing:

Making Worcestershire easy to visit, making that visit easy to organise and ensuring people have a great time when they get here is 'a must' to creating a 'destination of choice'. By consistently conveying brand loyalty, tourists regularly return to the destination and become "free advertising" for a DMO: sharing with friends the value they saw in a destination, far beyond the time they spent in it.

Objective Two: Sector Support:

Visit Worcestershire offers leadership and coordination across the County - supporting the sector to develop, to grow sustainably, and to work together to make a bigger impact. Helping businesses to think bigger and think about how they fit into the 'County Brand' is key to further developing the County's offer, ensuring it delivers a high-quality user experience.

Objective Three: National & International Profile

Establishing a competitive edge & developing the destination's attractions and resources in a way that highlights its authenticity and characteristics will enable Worcestershire to thrive. Ensuring positive visitors' experiences, allowing tourists to push their limitations, try new things, new tastes or experiences, will deliver an excellent quality experience in a destination.

Objective Five: Partnerships and Engagement

Visit Worcestershire's role is to work with partners to create a common vision, a common story and a common brand, bringing all the pieces together and acting as a leader to deliver on it. Bringing with it economics of scale, bigger impact and a 'One Worcestershire approach'.

22. The funding requested for this project is £1,459,500 to be funded from the Open for Business Revenue Reserve and the funding is expected to run from September 2022 to September 2025.

23. Outputs forecast to be delivered by the implementation of this project are

- 405 Business supported

- 1,480,000 Website traffic increases
- 156,000 Social media followers

B) Workforce Resilience

24. This project seeks to step change the education curriculum in Worcestershire through local provision, meeting the needs of local employers around key recruitment needs and sectors.

25. Alongside this, the programme will focus on sustainable outcomes and improving the current process of employer engagement in the county around skills, enhancing the current work with training providers and stakeholders that engage on skills and fully exploring employer needs.

26. This will further cement stakeholder relationships seeking to improve the skills of those engaging employers to be able to understand more effectively skills needs and to refer into partners and expertise where appropriate. Long term this will support our intelligence gathering to assist in planning county needs moving forward.

Therefore, this project aims to:

- Embed a consistent and effective approach for Skills Diagnostic/ Training Needs Analysis in Employer Engagement.
- Alongside diagnostic tools, offer support for Employers to understand how to effectively workforce planning.
- Develop Incentives to encourage and support young people to undertake and complete apprenticeships.
- Curriculum development fund to reduce barriers for providers in developing and running economically vital curriculum for Worcestershire's workforce.
- Pilot programme to target those young people most at risk i.e., Care leavers and increase participation in Apprenticeships and Employment.
- Facilitate spaces for residents to access advice, guidance and reskilling services building on current resources.
- Permanent resources for length of project to drive forward promotion and marketing of Apprenticeships and Workforce planning in the County, continuing to raise profile and support agendas.

27. The funding requested for this project is £1,297,079 funded from the Open For Business Revenue Reserve and the funding is expected to run from September 2022 to September 2025.

28. Outputs forecast to be delivered by the implementation of this project are

- 500 Business supported
- 500 Residents supported into Apprenticeships

C) Business Worcestershire

29. Business Worcestershire will provide support for the local economy as EU funded projects come to completion. Over the past three years, the Economic Development team has delivered a portfolio of EU funded projects that supported businesses at every stage of their journey, from start-up to growth, to supporting the development

of new products and processes, to the implementation of resource efficiency measures and diversification into the low carbon economy.

30. Previous projects have provided tailored support to specific sectors such as manufacturing, tourism, agriculture and creative technologies, maximising the £13m ERDF investment into Worcestershire. We now want to ensure that the relationships that has been developed with the local business community continues and we are able to provide the support they need to stay, grow, and flourish in the county.

31. The proposed Business Worcestershire programme is focussed on providing a more explicit whole programme management approach for business support that is driven by themes and business priorities. It will also drive national and local priorities for levelling up, growth & prosperity and deliver significant economic and environmental benefits through supporting businesses in the County to increase productivity, attract new businesses and develop higher wage jobs.

32. Business Worcestershire is designed to provide a flexible framework and delivery model that can be scaled up and grow the level of programme funding where additional funding opportunities arise. This includes the potential for district councils and other county areas to increase the level of support in their local areas from UKSPF allocations.

33. Business Worcestershire Programme will focus the support in the following key areas:

- Start-up and High Growth
- Net Zero/Decarbonisation
- Innovation & Technology
- Inward Investment

34. The programme will provide an opportunity for the economic development team to work with partners to ensure joint activity has the maximum positive impact, from high quality advice and bespoke consultancy support with related grant funding to working with partners to support key sectors, create a business-friendly environment and attract investment. It is intended that there will also be scope within the programme team for further follow-up with SMEs to take up the recommendations, signposting to the growth hub and to other complementary business support programmes and funding sources.

35. The funding requested for this project is £3,364,071 funded from the Open For Business Revenue Reserve and £727,000 from the remaining Open for Business Capital Programme, and the funding is expected to run from September 2022 to September 2025.

36. Outputs forecast to be delivered by the implementation of this project are

- 300 new jobs created
- 300 business supported
- £3,750,000 Private sector match
- 1500 tCO₂e reduction in energy consumption

Legal, Financial and HR Implications

37. Council originally allocated £7 million within the Capital Programme towards schemes meeting the relevant criteria for funding. To date £6.273 million has been allocated, leaving £0.727 million available. This report recommends the use of this remaining allocation towards the Business Worcestershire Scheme. A breakdown of commitments to date are included in Appendix 2.

38. A total of £9 million has been made available since April 2020 in the form of the Open for Business revenue reserve. £2.490 million of this has been allocated to date towards schemes, leaving £6.511 million of the reserve funding available for allocation. A breakdown of commitments to date are included in Appendix 3.

39. The three schemes in this report are requesting allocation of a total of £6.121 million, with £3.364 million towards Business Worcestershire, £1.460 million for Visit Worcestershire and £1.297 million for Workforce Planning.

Risk Implications

1. All previous schemes have been or are being delivered successfully and within the timeframe therefore, there is a low level of risk.
2. If approved, there are normal risks regarding ensuring that appropriate qualifying expenditure is incurred, and that spending is within the cash limited for budgets. These risks are mitigated through the regular budget monitoring process
3. There is a reputational risk to the council if the proposed schemes fail to deliver against the criteria. The approach highlighted in the paper ensures that there will be a wide reach to the scheme, engaging multiple partners and service users to enable access to the support / service for the scheme to be successfully delivered.

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

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

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, Data Protection

Supporting Information

- Appendix 1 – Terms of Reference for the Open For Business Board
- Appendix 2 – Capital Programme Allocations
- Appendix 3 – Allocations from the Revenue Reserve

- Appendix 4 – Joint Impact Assessment

Contact Points

Specific Contact Points for this report

Stephen Butterworth

Sue Crow

Tel: 01905 846370

Email: scrow@worcestershire.gov.uk

Background Papers

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

Open for Business Board – Terms of Reference

1. Vision and Objective:

The 2022 – 2027 Corporate Plan has identified 'Open for Business' as its key area of focus. The local economy is on course to have grown by one third by 2025 from 2015 levels. We've seen significant growth across key sectors with the County Council working more closely with the private sector than ever before and alongside our Local Enterprise Partnership. Being Open for Business is a key priority for the Council to continue this growth. Ensuring people and places are connected, physically and digitally, is vital to supporting continued economic growth, and unlock a further expansion in high-tech and knowledge intensive industries.

WCC Corporate Plan

The Open for Business Board will provide leadership and direction across the council to drive policy and service integration which enables and supports the successful delivery of the Council's Open for Business agenda and the ambitions of Worcestershire's Economic Strategy. In Constitutional terms, the Board is advisory in nature, and formal decisions will be made by the CMR for Economy and Infrastructure (or Cabinet where relevant), as agreed by September 2022 Cabinet.

2. The Open for Business Board will have oversight and responsibility for the following investment programmes:

The OFB Investment Programme will make investments in projects that will unlock viable economic development schemes to assist business, job growth and regenerate the County.

The Investment Programme will provide an opportunity to deliver the Corporate Plan priority of Open for Business through:

- Enable high growth start-ups to expand and remain in the County in addition to providing direct support, advice and guidance to businesses seeking to grow / inward investment.
- Raise the profile of the County and provide a clear demonstration to funders, developers and companies that the County is a proactive and positive place to do business.
- Provide a structure that is consistent with emerging Government policy, resulting in a better chance of securing more central government allocations aligned to the County Council priorities.
- Continue to champion Worcestershire in the region and on the national stage, through Midlands Engine and Midlands Connect

Which investments will the fund focus on?

The fund is expected to focus on seven priority themes that are consistent with the Economic Strategies of both the County Council and the Local Enterprise Partnership and will invite projects which can support and drive growth in these areas:

- Support to key Sectors including; Advanced Manufacturing, IT & Defence & Security, Construction, Business and Professional Service, Tourism and Creative, and Health.
- The exploitation of digital infrastructure e.g., Superfast Broadband, improved mobile signal coverage and 5G
- Business creation and scale-up
- Improve the level of skills across the County and ensure that they match the future requirements of the economy
- The transformation of key transport gateways in Worcestershire to unlock significant economic opportunity
- The identification and delivery of the next major employment sites
- Identify and address where appropriate the market failure within supply of industrial and wider commercial buildings
- Promotion and positioning of Worcestershire as a place to invest and visit.

The fund could also support strategic land acquisition to assist in the above priorities which may provide a first phase of project investment for the fund.

3. Terms of Reference

- 3.1 Open for Business Project Board is not a decision-making body but in constitutional terms is an advisory group to Cabinet. The Chair as Cabinet Member with Responsibility (CMR) for Economy and Infrastructure has powers delegated to take decisions up to £0.5 million following the full advice and consideration of this Board.
- 3.2 The Open for Business Project Board will recommend for approval individual project business cases greater than £0.5 million to Cabinet including investment decisions by the County Council, in line with priorities.
- 3.3 To promote and provide corporate leadership, direction and challenge for the Open for Business priority across Worcestershire County Council and will include representatives from Cabinet, SLT and at Assistant Director level.
- 3.4 To enable full and open decision making the Open for Business Board will receive business cases in support of all options considered. These business cases will include:
- 3.4.1 Demonstration that officers have actively engaged and communicated with the business community to ensure customer engagement, feedback and buy-in for the Open for Business programme across key service areas.
- 3.4.2 Demonstrated how the proposal ensures the joint alignment of vision and objectives across the Worcestershire County Council Corporate Plan, Worcestershire Local Enterprise Partnership Economic Strategy and emerging Government policy,
- 3.4.3 Clearly evidences how the proposal(s) proactively manage risks and issues relating to the delivery of the Open for Business programme.
- 3.4.4 Clearly set out an economic and financial case for action / approval that includes factors pertinent to the Levelling Up agenda and format applied by DLUHC and best practice, including return on investment.

3.4.5 Clearly sets out the proposed outputs / outcomes of the project and advice demonstrates the ability to deliver, with supporting information and evidenced reasoning.

3.4.6 Is affordable within the existing Open for Business Reserve or capital programme.

3.5 To monitor and review the delivery of project outcomes and performance indicators, in line with the priorities set out in the Corporate Plan and detailed in the work programme.

3.6 To monitor the performance of the Worcestershire economy, utilising the indicators below:

- The increase in overall employment rate of the County
- Average increase in Weekly Earnings
- Increase Worcestershire's productivity - gross value added (GVA)
- Increase qualifications, training, and apprenticeships
- The amount of private sector investment levered and attracted into the County via Inward Investment and relocation
- Business Formation Rates

3.7 The Board may entrust a time limited task and finish group as required which will undertake a specific work-stream (which may include cross organisational / partnership working). The Task and Finish will be required to report back to the OFB Board on its findings.

4. Membership

Member	Job Title
Paul Robinson	Chief Executive, Deputy Chair
Simon Geraghty	Leader of WCC
Marc Bayliss	OfB Chair , and CMR for Economy and Infrastructure
Sue Crow	Growth and Investment Manager
Andrew Spice	Strategic Director of Commercial and Change
Jo Dalton	Communications Lead
Michael Hudson	Chief Finance Officer
Mark Fitton	Strategic Director for People
Hannah Perrott	Assistant Director Communities and People
Gary Woodman	Assistant Director, Economy & Infrastructure

5. Format of Meetings

5.1 Meetings will be held quarterly.

5.2 The meeting will be deemed quorate when there are 3 or more members in attendance.

- 5.3 Board members may be represented by named deputies, subject to the agreement by the Chair
- 5.4 When the board cannot reach a majority decision, the decision will be made by the chair of the meeting.

6. Interdependencies and Reporting

- 6.1 There are key links and interdependencies with the following groups and programmes:
- Cabinet
 - Worcestershire County Council Strategic Leadership Team
 - Corporate Business Board
 - Worcestershire Local Enterprise Partnership (WLEP)
- 6.2 Annual progress reports will be produced for SLT and Corporate Business Board.

7. Standing Agenda Items

- Progress Report
 - By funding stream
 - Outputs/Impact
- Funding allocated and financial update
- Government Policy announcements
- Business Barometer
- Action List

8. Responsibilities.

8.1 Members will be expected:

- To adopt a fair and objective approach to assessing all project applications on their individual merit.
- To treat circulated information and discussions held in a confidential manner.
- Not to discuss decisions outside of the meeting until such time as all applicants have been informed of decisions and these have been made publicly available.
- Appointed substitute member(s) may be invited to attend in order for the Panel to remain quorate and to support the discussions and decisions to be made by the Board.
- To declare any actual or potential conflicts of interest

8.2 Conflict of Interest:

Any member having an interest in an organisation/project whose application for grant support is before the Panel shall declare their connection and not vote.

9. Governance

- 9.1 All Open for Business proposals will be assessed in line with the priorities set out as above together with a financial assessment undertaken by WCC finance.
- 9.2 Oversight of the programme will be through the Open for Business Programme Board and Cabinet. Key decisions will fully comply with the WCC constitution and be added to the forward plan, with decision notices published.

9.3 Cabinet Member with Responsibility for Economy, Infrastructure and Skills to oversee the implementation of the Open for Business programme and have the formal decision-making authority to approve business cases up to and including £0.5m against set agreed criteria.

9.3 The Cabinet Member to seek Cabinet approval on business cases over £0.5m

Allocations from the Capital Programme

	£
Capital Programme Allocation	7,000,000
Committed to date	5,273,000
Projects include:	
<ul style="list-style-type: none"> • Malvern Hills Technology Park (1) • Malvern Hills Technology Park (2) • Redditch Rail Feasibility / Quarter • Shrub Hill Estate • Worcester Six Expansion • Worcester Transport model • Here2Help Businesses 	
Proposed in this report:	
Business Worcestershire	727,000
Total commitments	6,000,000
Balance Remaining	1,000,000

Allocations from the Revenue Reserve

	£
Reserve total allocation from 1 April 2020 to 31 March 2022	9,000,000
Committed to date	2,489,783
Projects include:	
<ul style="list-style-type: none"> • Energy Strategy • Midlands Engine (contribution for 2 years) • Visit Worcestershire • One Worcestershire • Inspiring Worcestershire • One Worcestershire - Tourism • 5G Contribution • Moving Evesham Forward (Evesham Traffic) • Gamechanger delivery fund • Here2Help Businesses • Malvern College 	
Proposed in this report:	
Business Worcestershire	3,364,071
Visit Worcestershire	1,459,500
Workforce Planning	1,297,079
Total commitments	8,610,433
Balance Remaining	389,567

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CABINET
22 SEPTEMBER 2022**IMPLEMENTING THE DFE MULTIPLY PROGRAMME**

Relevant Cabinet Member

Cllr Marc Bayliss

Relevant Chief Officer

Strategic Director for People

Local Member(s)

None

Recommendations

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

- a) Notes the submission of a Worcestershire Investment Plan to the Department for Education (DfE), to deliver the Multiply Programme in Worcestershire as part of the UK Shared Prosperity Fund (UKSPF);**
- b) Endorses the content of the Worcestershire Investment Plan, as summarised in paragraph 9, which outlines how Worcestershire County Council will deliver the £2.68M Multiply programme over a 3 year funding period between 2022 – 2025; and**
- c) Delegates the implementation of the plan to the Strategic Director for People in consultation with the Cabinet Member with Responsibility for Economy, Infrastructure and Skills.**

Background

2. The Multiply Programme is a strand of the UK Shared Prosperity Fund designed as a core part of the Government's Levelling Up mission and investment in adult skills. Its overall objective is to increase the levels of functional numeracy in the adult population in Worcestershire. The programme will support residents over 19 years old, who have not previously attained a GCSE Grade 4/C or a higher maths qualification, to either work towards a GCSE or equivalent, develop specific numeracy skills for their work or progression or simply refresh their skills to help them get on in life or work.

3. Multiply funding has been designed to enable Worcestershire, as an area, to invest in meaningful participation in numeracy that boosts people's ability to use maths in their daily life, at home and work – and enable adults to achieve a formal qualification that

provides further opportunities such as find employment, progression in a job or to further study. Worcestershire has been allocated £2.685M by the DfE over the financial years of 2022-2025, pending submission of an investment plan.

4. The DfE have identified the following success measures for the whole programme at a national level:

- More adults achieving maths qualifications courses (up to, and including, Level 2 – with GCSEs and Functional Skills Qualifications as the qualifications of choice in England – or equivalent) and an increase in participation in numeracy courses.
- Improved labour market outcomes e.g., fewer numeracy skills gaps reported by employers, and an increase in the proportion of adults that progress into sustained employment and / or education.
- Increased adult numeracy across the population – this overall impact, which goes beyond achieving certificates or qualifications, will track both the perceived and actual difference taking part in the programme makes in supporting learners to improve their understanding and use of maths in their daily lives, at home and at work - and to feel more confident when doing so.

5. The DfE will evaluate Multiply nationally against these criteria. Local areas, such as Worcestershire, will be expected to collect data in order to inform this evaluation.

Strategy and Next Steps

6. Worcestershire County Council (WCC) submitted an investment plan to the DfE on 30 June. This plan outlines the interventions to be delivered over the lifetime of the programme, along with information around the partners engaged, points of engagement, outcomes and the challenges in delivery.

7. In preparing the investment plan, the County Council's Skills and Investment Team have engaged a number of Education and Employment support providers who work across Worcestershire including Seetec, lead for the DWP Restart programme, Independent Training Providers delivering Worcestershire employability contracts and the three Further Education colleges. These organisations each completed an expression of interest offering the support they wanted to deliver in Multiply.

8. Worcestershire County Council will look to deliver alongside the identified partners, through its Learning Services team and if appropriate through Learning and Development interventions to communities through libraries and other community venues and our own staff as needed.

Summary of the Plan

9. A full copy of Worcestershire's Investment Plan can be found in the Appendix, however a summary of the provision is below. The Worcestershire plan for delivery seeks to find differing ways to engage and embed the numeracy learning into other subjects and disciplines, whilst engaging learners at various levels of ability up to GCSE Grade 4/C.

The plan will be delivered by a range of providers and across locations within Worcestershire where learner demand is found.

Multiply intervention	Estimated output – Learners 2023-2025	Short description of Multiply provision
Courses designed to increase confidence with numbers for those needing the first steps towards formal numeracy qualifications.	2050	These programmes will be designed to engage individuals in functional numeracy for the first time. The purpose of this programme is to deliver non-accredited entry level equivalent programmes, which focus on activities and exercises, to those who have had negative schooling experiences, fear of maths and/or have specific challenges such as dyscalculia.
Innovative numeracy programmes delivered together with employers – including courses designed to cover specific numeracy skills required in the workplace	1060	Programmes will be tailored with individual employers including understanding how this intervention would prepare their employees to be considered for promotion and career progression in their own roles.
Courses aimed at people who can't apply for certain jobs because of lack of numeracy skills and/or to encourage people to upskill in numeracy order to access a certain job/career	285	Programmes will be designed to meet both individual's employment numeracy skills needs and those required by employers. Courses will be designed to either act as a tool to support enhancing an individual's employability such as embedding numeracy into ICT courses which embed improved digital skills for participants and as add on to employability pathways such as Bootcamps and Sector Work Based Programmes for instance supporting individuals on a care pathway to understand drug dosages and associated calculations needed .
New intensive and flexible numeracy courses targeted at people without Level 2 maths, leading to a Functional Skills Qualification	215	Responding to employer and individual needs, courses provide flexible and intensive sessions running courses in full-day , evening and weekend sessions to prepare learners to undertake a Functional Skills Qualification.
Courses for parents wanting to increase their numeracy skills in order to help their children, and help with their own progression	400	These programmes are designed to engage and upskill parents and carers to be able to support their child's mathematical learning. The purpose of these programmes are to deliver non-accredited entry level equivalent programmes, which will essentially mirror the curriculum taught in education environments. This approach will develop an understanding in mathematics curriculum to support their children and potentially encourage progression to formal learning for themselves.

Courses designed to help people use numeracy to manage their money.	445	These programmes are designed to support those who are likely to be in serious debt and /or struggling to manage their finances. Learning will be provided to enable participants to develop specific functional numeracy skills, for example budgeting, costing shopping (both for consumables and non-consumables) and travelling as part of daily activity as well as strategies to manage their current debt levels and how to resolve the current challenges they face.
Numeracy activities, courses or provision developed in partnership with community organisations and other partners aimed at engaging the hardest to reach learners	200	Working with existing community partners and council teams , programmes will target those who are furthest away from undertaking formal qualification routes and those whose prior educational attainment has been low, typically those individuals who are inactive in the benefits system. Provision will be embedded in supporting residents to understand their current financial future and the impact of employment on that future building them towards moving into qualifications through gained confidence in numeracy. Working alongside agencies such as Libraries, Food Banks, Health and Social housing providers.
Additional relevant maths modules embedded into other vocational courses	200	These programmes will map across existing provision to identify optional additional tuition opportunities for adult students where current considerations to a formal maths qualification is not within the scope of their existing time availability nor aspirational as a chosen outcome - but which might become the outcome with incremental additional maths tuition and progress for example, statistics within CIPD courses, data analysis within IT courses, basic accounting/budget management within leadership and management courses or trades (electrical, hairdressing) etc. Programmes will target all adults on current vocational courses. Courses will be to suit individual needs on either one to one basis or in small groups and provision will be a minimum of 6 hours and a maximum of 45
Numeracy courses aimed at those 19 or over that are leaving, or have just left, the care system	80	Worcestershire working in partnership with the Care leavers function in Worcestershire County Council and Worcestershire Childrens First will pilot an online virtual platform for Care leavers to consider their financial futures and improve their numeracy skills alongside. This online platform will form part of a care leavers journey alongside careers support to support them to better budget their daily lives and to understand how they can improve their financial picture through work and better off calculations.

Legal, Financial and HR Implications

10. The proposed Multiply allocations have been published – [Indicative allocations for local areas - GOV.UK \(publishing.service.gov.uk\)](#) The table below outlines Worcestershire County Council's indicative allocation for the years 2022 – 2025.

Local Authority	Total Funding Allocation (£)	Funding Allocation 22-23 (£)	Funding Allocation 23-24 (£)	Funding Allocation 24-25 (£)
Worcestershire	2,692,723.34	814,079.15	939,322.09	939,322.09

11. The funding has been allocated to Worcestershire and then will be issued to the county based on the approval of the local Investment Plan by the DfE. The fund will be paid over a 3-year period and reviewed on an annual basis. Partnerships will be established with local providers as key stakeholders to support the delivery of the programme across Worcestershire, working with local communities to achieve key outcomes. Resources used in the preparation of the Local Investment Plan relate to WCC officer time only and was absorbed within the existing budgets for the service.

12. Additional staff will be employed to manage the programme. A Programme Manager, Project Support Officer and Business Administration Apprentice will be employed on a 2.5-year fixed term contract basis to administer the programme. This equates to a total cost of approx. £75k per year which will be funded from the 10% administration fee which is included in the amount allocated from the Multiply funding.

13. Any additional support required to engage, train and administer delivery will be done within the existing budgets for learning and through successful performance. All partnership agreements will be commissioned through procurement and will be based on outputs and outcomes in the main ensuring that any performance is not financially at risk.

14. There are no additional financial implications for the Council resulting from the activities within this report, as costs to deliver and administer will be fully met from the Multiply Funding and existing revenue budgets.

Risk Implications

15. There is limited risk within the Skills and Investment Team as the programme allows a 10% administration allocation to support the programme management and administration burden. Overall, the risk will come in delivery phases and in the timeframes set by the DfE.

16. However, the timescales set by the DfE are challenging in Year 1. Funding commenced 1 April 2022 and the investment plan confirmation is in Autumn of 2022 presenting a delay in financial start whilst the plan has been confirmed. This risk in delivery will be mitigated through ongoing discussions with the DfE during the funding year to monitor performance and raise concerns regarding grant spend and adjust the targets within the investment plan accordingly.

17. There are performance risks in relation to the reliance upon partnership agreements with local providers and stakeholders to support with the delivery of the programme across the county. If any of the partners were to fail to attract the number of learners identified in their submitted proposals or if they are unable to continue to trade, WCC would need to either consider new partners or how Learning Services could pick up any short falls.

18. Staffing to deliver the programme will be challenging as there will be a national need for both tutors and a level of qualified maths tutors to help deliver the Multiply programme, during a time when it is particularly hard to recruit generally and where shortages exist in this skills base. However, WCC and its partners will look to run a recruitment programme to meet this need.

19. Engaging learners to join the Multiply programme is going to be challenging and it will be essential to find the points of engagement through existing education as much as engaging in contextualised delivery. For instance, estimating materials in construction sites as a vocational example and embedding maths by practical examples such as cooking on a budget, completing universal credit claims, budgeting in work, debt management and organising tax returns.

20. The greatest risk to the programme is around any process that delays the start of learning. Therefore challenging procurement timescales and any potential delay in this process presents a risk against performance. The Multiply procurement processes need to be priority following approval of the investment plan, as the longer this takes then the more impact on delivery and performance in year one. However, the Skills and Investment team are working with procurement in advance to set up a digital procurement system for the teams work which would make procurement a faster process for these opportunities. This is the largest risk to year one performance.

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

21. A full Equality and Public Health, Data Protection, Impact Assessment has been carried out in respect of the recommendations. This identified no potential negative impacts and noted the DfE responsibilities for Impact Assessments but highlighted need to ensure staff are fully trained on data protection , document control for programme.

Supporting Information

Available electronically

- Appendix A – Worcestershire’s Investment Plan Proposal
- Appendix B - Worcestershire’s Investment Plan Template
- Appendix C and D – Data Protection Full Impact Assessment, Equality Public Health Full Assessment

Contact Points

Specific Contact Points for this report

Hannah Perrott
Assistant Director for Communities
01905843658
hperrott@worcestershire.gov.uk

Judy Gibbs
Skills and Investment Group Mgr.
01905 843492
jgibbs@worcestershire.gov.uk

Background Papers

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

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1068822/Multiply_Investment_Prospectus.pdf

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1068823/Multiply_Technical_Guidance.pdf

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1072837/Multiply_investment_template.docx

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1073036/Multiply_investment_plan_template_SECTION_A_QUESTION_2.xlsx

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CABINET

22 SEPTEMBER 2022

KEPAX BRIDGE – AWARD OF CONSTRUCTION CONTRACT

Relevant Cabinet Member

Councillor Marc Bayliss

Relevant Chief Officer

Strategic Director of Economy and Infrastructure

Local Members

Councillor S E Geraghty

Councillor M Allcott

Recommendation

- 1. The Cabinet Member with Responsibility for Economy, Infrastructure and Skills recommends that Cabinet:**
 - a) Requests that Council approves amendments to the Capital Programme necessary to progress the Kepax Bridge scheme, including the virement of funds previously allocated as part of the approved Capital Programme along with additional sources of funding from Worcester City Council and the Towns Fund; and,**
 - b) Authorises the Strategic Director of Economy and Infrastructure in consultation with the Cabinet Member with Responsibility for Economy, Infrastructure and Skills to award construction contracts and enter into any other such agreements as are necessary to progress delivery of the Kepax Bridge scheme, within the approved funding envelope.**

Why is it Important to make this decision now

2. It is important that this decision is made now to ensure that there is no impact on the construction programme. The proximity of the works to the River Severn means that the programme is heavily constrained due to flood risk, navigation requirements and fish migration. In addition to this some of the environmental surveys, cost estimates and permissions are time-limited and any delay in making a decision to award the main construction contract could result in a disproportionate impact on the programme.

Background

3. Cabinet approved the development of a Business Case and the submission of a Planning Application for Kepax Bridge at its meeting on 14 November 2019 and allocated £1.5million towards the development of the scheme from the Walking and

Cycling Bridges fund in the Capital Programme. At its meeting on 18 March 2021 Cabinet welcomed the completion of the Business Case and noted the allocation of a further £2.5 million towards the scheme from the Walking and Cycling Bridges fund and the award of £1 million from the Getting Building Fund. This brought the total approved funding to £5 million. Cabinet also authorised the Strategic Director of Economy and Infrastructure to award construction contracts and to enter into any other such agreements as were necessary to progress delivery of the scheme within the funding envelope available at that time.

Update

4. Since the Cabinet meeting on 18 March 2021, further work has been undertaken on the design of the scheme and a Target Price has been received from the Contractor, meaning that the full estimated cost of the scheme is now available. The cost of the scheme has increased due to a number of factors including the delay in receiving planning consent, changes in scope to include improvements to Horsford Road and a ramp to the Severn Way, changes in fuel costs and inflation in the construction sector which have been exacerbated by the War in Ukraine leading to increased steel and fuel costs.

5. Extensive work has been carried out to scrutinise the Contractor's Target Price and to ensure the most efficient construction programme.

6. Kepax Bridge received Planning Consent on 28 September 2021 and a number of enabling works have been carried out since that time including the removal of invasive species, and other vegetation on the bridge alignment.

7. Progress has been made on securing the necessary land agreements with the relevant landowners on either side of the River Severn, together with the other statutory consents necessary to progress the scheme.

8. Funding, sufficient to cover the remaining costs of the scheme, has now been identified from within the existing capital programme and from external funding from Worcester City and the Towns Fund, which is detailed in paragraphs 15 to 17.

9. Sufficient progress has now been made to progress the award of the main construction contracts to enable work to begin on site in October 2022, subject to the approval of this report and the use of funds.

Next steps

10. Cabinet is being asked to recommend to Council to approve the allocation of the funds necessary to complete the scheme within the Capital Programme and for Cabinet to approve that the Strategic Director of Economy and Infrastructure, in consultation with the Cabinet Member with Responsibility for Economy, Infrastructure and Skills, to be authorised to award construction contracts and enter into any other such agreements as are necessary to progress delivery of the Kepax Bridge scheme, within the approved funding envelope.

Overview and Scrutiny

11. N/A

Legal, Financial and HR Implications

Legal

12. The proposed landing points of the bridge are to be sited on Worcestershire County and Worcester City owned land. A parcel of land on the west side of the river is being acquired by negotiation. Powers will be exercised under Section 106 (3) of the Highways Act 1980 to construct the bridge to form a footpath/cycle track over the navigable waters of the River Severn.

13. Various agreements and consents have been secured from statutory undertakers and legislative bodies including the Canals and Rivers Trust and the Environment Agency.

14. No Human Rights issues have been identified. A small number of residential properties would be visible from the bridge. Although there are no specific standards for structures of this kind, a distance of 22m is commonly prescribed by local authorities to achieve adequate privacy between facing residential windows; in comparison, the proposed position of the bridge is 100m from the closest residential properties.

Financial

15. The total estimated cost of the scheme is £15.9 million including expenditure already incurred, but excluding any Quantitative Risk Assessment (QRA) allowance. Should there be a requirement for additional QRA expenditure, this will be funded from existing resources with the E&I Capital Programme and reported back via a subsequent Cabinet Resources report.

16. £5 million of this has already been allocated as part of the current approved Capital Programme of which £4 million was previously allocated from the Walking and Cycling Bridges fund and a contribution of £1 million from the Getting Building Fund. This now leaves a balance of £10.9 million to be funded. This can be funded from the existing approved E&I capital programme and external sources but will require reallocation of funding to cover the proposed increase.

17. This is proposed to be funded as follows, and Cabinet is being asked to recommend to Council to approve the following additions, allocations and subsequent virements within the Capital Programme:

- £0.813m – external contribution from Worcester City Council
- £2.325m – external contribution from Worcester City Council via the Towns Fund
- £5m virement from the existing allocation in the Capital Programme to address inflationary pressures on Major Projects
- £0.410 million from the unallocated Public Realm existing capital programme
- £1.781 million from the Strategic Infrastructure existing capital programme
- a £0.571 million allocation from the Highways Capital Maintenance Budget

Human Resources

18. There are no HR implications.

Risk Implications

19. The principal risks associated with the scheme are the usual construction risks such as the discovery of uncharted services, supply issues and the risk of adverse weather, particularly flooding, given the proximity to the River Severn. To mitigate the risks, extensive surveys have already taken place, it is proposed to appoint our existing Term Contractor to carry out the construction work and the programme has been designed to reduce flood risk.

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

20. Full Equality, Public Health, Data Protection and Sustainability Impact Assessments have been carried out (Appendix 1). No negative impacts have been identified for Protected Groups and other impacts can be satisfactorily mitigated through existing policies and procedures.

Supporting Information

- Appendix 1 – Joint Impact Assessment Screening and Full Assessments

Contact Points

Specific Contact Points for this report

Rachel Hill, Assistant Director – Economy, Major Projects and Waste

Tel: 07983 972916

Email: rjhill@worcestershire.gov.uk

Background Papers

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

Cabinet Reports of 14 November 2019 and 18 March 2021. Cabinet agendas and reports are on the County Council website:

<https://worcestershire.moderngov.co.uk/ieListMeetings.aspx?CId=131&Year=0>

CABINET
22 SEPTEMBER 2022**MAJOR ROAD NETWORK SCHEME UPDATE**

Relevant Cabinet Member

Councillor Marc Bayliss

Relevant Chief Officer

Strategic Director of Economy and Infrastructure

Local Member(s)

Councillor Marc Bayliss

Councillor Dan Boatright

Councillor Elizabeth Eyre

Councillor Laura Gretton

Councillor Marcus Hart

Councillor Bill Hopkins

Councillor Karen May

Councillor Tony Miller

Councillor Tony Muir

Councillor Linda Robinson

Councillor Shirley Webb

Recommendation

1. **The Cabinet Member with Responsibility for Economy, Infrastructure and Skills recommends that Cabinet:**
 - a) **Notes the overall concepts of both the North West Worcestershire Corridor (NWWC) Scheme and the A44 / A4538 scheme and progress made to date;**
 - b) **Approves the further development and submission of the Strategic Outline Case (SOC) of the NWWC Scheme to Midlands Connect in Winter 2022 / 23;**
 - c) **Approves the further development of the SOC for the A44 /A4538 and for this to be shared with Midlands Connect;**
 - d) **Supports the continued progress of business cases for both schemes towards Outline Business Case stage, including identifying the timetable for stakeholder engagement, planning permission, land acquisition and funding mechanism for the schemes;**
 - e) **Supports continued engagement with Midlands Connect and the Department for Transport to secure their ongoing support for the schemes and exploring any funding opportunities for the development of the business cases; and**

- f) Approves the use of up to £0.360 million from the Strategic Infrastructure Fund revenue reserve in order to deliver the Outline Business Cases for these schemes

Why is this important?

2. These routes form part of the major road network in the county, linking the major settlements with the strategic road network including the M5 and the A46. Development is proposed in adopted and emerging local plans which will increase the use of these routes. The proposals in the strategic outline case are being developed to assist in mitigating this impact. Funding for the NWWC strategic outline case has been secured from Midlands Connect in recognition of the importance of the corridor.

Background

3. Worcestershire County Council (WCC) are developing strategic outline cases (SOC) for two major road network schemes within the county. These are the North West Worcestershire Corridor (NWWC) and the A44 / A4538 (Worcester to Evesham).
4. The NWWC corridor covers three roads, the A491, A450 and A456 in a broad corridor from M5 junction 4 at Wildmoor, Bromsgrove through Hagley, Blakedown and Kidderminster, including Mustow Green.
5. The A44 / A4538 route in south Worcestershire is a 24 km route from the A38/A4538 junction at Martin Hussingtree, continuing along the A4538 Pershore Lane, through the M5 junction 6 connecting with the A44/A4538/A422 junction. The route continues along the A44 through Pershore, connecting to the A46(T) in Evesham
6. Both of these routes form part of the major road network (MRN) in the county, the primary A road network which performs a strategic function in connecting the major settlements to the motorways and trunk roads. There are congestion and journey time reliability issues along the corridors. The corridors are also expected to experience an increase in traffic from the development proposed in the Wyre Forest Local Plan (adopted April 2022) and the emerging South Worcestershire Development Plan review (SWDPr).
7. In November 2020, Worcestershire County Council (WCC) submitted expressions of interest to Midlands Connect (MC) for both the NWWC and A44/ A4538 corridors to fund the initial development of the strategic outline case to develop proposals for the improvement of these corridors.
8. Following submission of the expression of interest, WCC was awarded development funding from the Midlands Connect 'Preparation Fund' in January 2021 for the NWWC. The funding is being used to support the development of a SOC for the Scheme, to be submitted by Winter 2022/23. This funding (£50k) covered approximately half of the cost of the SOC; the balance being funded from revenue resources.

9. Funding was not awarded to the A44/ A4538 corridor, primarily because each local transport authority can only have one project funded through the Midlands Connect Preparation Fund at any time. However, because of the emerging SWDPr, which focusses growth in the A44 corridor, work has continued on options for this corridor to prevent it becoming a barrier to the proposed growth and to identify mitigation required. Midlands Connect remain supportive of the scheme and are being kept informed of progress. £100k of revenue funding was utilised in 2021/22 to fund this SOC.

10. The NWWC scheme improvements have a strong policy context and will help to deliver the aims and ambitions of national government through Department for Transport investment strategy, regional policy including Midlands Connect and is a policy commitment in Worcestershire Local Transport Plan 4 (LTP4).

11. The A44/ A4538 proposals also accord with the national growth agenda for housing delivery and the provision of infrastructure to support such growth. The scheme is not referenced in LTP4 as the SWDP review commenced post the adoption of LTP4.

12. Both proposals are also supported by the Worcestershire Local Enterprise Partnership (WLEP).

13. The NWWC is also supported by the Wyre Forest District Plan adopted in 2022.

14. Both schemes also include significant improvements for cyclists and pedestrians including junction improvements, connectivity, localised cycle route widening and additional crossing points.

15. The SOC for the NWWC is currently being prepared in two stages. Stage 1 assessment has been developed using outputs from local and network junction models. This will be followed by Stage 2 assessment, based on Worcestershire County Council's county wide strategic transport model, in autumn 2022.

16. The SOC for the A44/ A4538 is currently in development, with the options appraisal being undertaken, along with early stakeholder engagement. Next steps will be to further develop the options, undertake strategic transport modelling, develop the planning and funding strategies.

17. During 2023 work will commence on the development of Outline Business Cases (OBC) for both schemes for which funding is being requested as part of this report.

Additional work which will be required to support the OBC includes:

- Planning Strategy (if not within Permitted Development);
- Funding Strategy; and
- Land acquisition strategy.

Legal, Financial and HR Implications

18. The total cost of the completion of the SOC for the NWWC was £0.100m, of this £0.050m was funded via the Midlands Connect funding and £0.050m was from base revenue funding in 2021/22 financial year. There will be negligible additional spend required to complete the SOC in 2022/23.

19. To keep within prescribed timelines work needs to commence in parallel on the Outline Business Case (OBC) for NWWC. The cost to prepare the OBC is estimated at £0.180m and will be spent during both the current financial year (approx. one third) and the remainder in 2023/24. This report requests the development of the OBC to be funded from the Strategic Infrastructure Reserve.

20. Work will continue with Midlands Connect to attempt to secure further funding for the OBC and if successful will reduce the funding required from the Strategic Infrastructure Reserve.

21. The total cost to deliver the NWWC scheme is currently estimated at circa £50m for which there is currently no identified funding. However, the estimated cost will be further refined as the scheme develops through the ongoing business case development. The strategy will include a review of opportunities for developer contributions and other potential sources of funding.

22. The SOC for the A44/ A4538 has been developed by WCC from base revenue funding in 2021/22 at a cost of £0.100m, in parallel with the development of the emerging SWDPr. There will be negligible additional spend required to complete the SOC in 2022/23.

23. To keep within prescribed timelines work needs to commence on the OBC for the A44/ A4538. The cost to prepare the business case is estimated at £0.180m and will be spent during both the current financial year (approx. one third) and the remainder in 2023/24. This report also requests the OBC to be funded from the Strategic Infrastructure Reserve.

24. A detailed funding strategy for the A44/ A4538 will be developed as part of the proposals for the route, including an assessment of the developer contributions, external funding requirements from government and to inform the timescale for delivery.

Timescales

25. A high-level Programme of Works for both schemes includes:

- Submission of SOC for consideration by Midlands Connect/DfT under MRN process – Winter 2022/23; (NWWC only)
- OBC development – Winter 2023/24; - For which this report requests funding.
- Funding strategy – Winter 2023/24
- Planning strategy – Winter 2023/24
- Land acquisition strategy – Winter 2023/24

Risk Implications

26. Key risks that have been identified at this stage relating to the whole process and their potential mitigation measures are as follows:

- Environmental mitigation requirements: - Included within scheme design from an early stage including ecological assessment

- Funding: to deliver both schemes approval and confirmation of funding, including from government and developer contributions is required prior to commencement
- Inflation Costs: Should funding to deliver the schemes be secured, there could be scheme cost inflation uncertainty leading to higher than expected out-turn costs resulting in inadequate budget available, which would be mitigated by continuing to monitor costs and ensuring ongoing engagement. Due to nature of scheme, individual packages could be removed from programme to ensure budget is not exceeded.
- Key stakeholder/project sponsor/political decisions affect programme delivery (e.g., amendments to scheme scope): Keep all stakeholders updated through regular project briefings, highlighting any potential risks to programme and scope
- Scheme costs greater than estimated due to unforeseen issues such as drainage, topographical surveys utilities: some risk allowance built into SOBC costs to account for unknown cost increases.

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

27. Following the completion of the Joint Impact Assessment (JIA) for both schemes (Appendix E and F), it has been determined that Data Protection, Equality and Public Health and Environmental Sustainability requires full impact assessments. However, in order to correctly assess these impacts, it is advised that the same are assessed at the completion of Outline Business Case and then finalised after submission of Full Business Case (FBC).

Supporting Information

- Appendix A – NWWC Scheme map
- Appendix B – NWWC Locations for Consideration Highway Intervention schemes
- Appendix C – A44/A4538 scheme map
- Appendix D – A44/A4538 Locations for Consideration Highway Intervention schemes
- Appendix E – NWWC JIA
- Appendix F- A44/A4538 JIA

Contact Points

Specific Contact Points for this report

Name: Rachel Hill, Assistant Director – Economy, Major Projects & Waste

Tel: 01905 843539

Email: rjhill@worcestershire.gov.uk

Name: Emily Barker, Head of Planning and Transport Planning

Tel: 01905 846723

Email: ebarker@worcestershire.gov.uk

Background Papers

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

CABINET

22 SEPTEMBER 2022

RESOURCES REPORT – REVENUE BUDGET MONITORING - MONTH 4 (31 JULY) 2022/23

Relevant Cabinet Member

Mr S E Geraghty

Relevant Officer

Chief Financial Officer

Recommendations

1. **The Cabinet Member with Responsibility for Finance (who is also the Leader of the Council) recommends that Cabinet:**
 - (a) **Notes the budget forecast as at 31 July 2022;**
 - (b) **notes and approves the Contain Outbreak Management Fund (COMF) reserves as detailed in paragraphs 24 - 27 and Appendix 2;**
 - (c) **notes the current progress regarding savings plans approved by Council in February 2022 as detailed in paragraphs 50 and 51;**
 - (d) **notes the financial impact and forecast for COVID-19 reserve funded expenditure as detailed in paragraphs 52 and 53 and Appendix 3;**
 - (e) **notes the progress and commitments relating to the Open for Business Reserve, as detailed in paragraphs 54 to 56 and Appendix 4;**
 - (f) **approves the use of reserves as detailed in paragraphs 57 to 61;**
 - (g) **recommends to Council the variations to the Capital Programme as detailed in paragraphs 62 – 68; and**
 - (h) **notes the report on borrowing and lending transactions during 2021/22 detailed in paragraphs 74 and 75 and Appendix 5.**

Introduction

2. This report details the 2022/23 outturn forecast for the Council's £373 million net revenue budget as at Month 4 (31 July 2022), the forecast use of COVID-19 funding and progress to date on the savings and reforms programme.

3. Overall, the Council is forecasting a £8.281 million cost pressure without further action. This is reported after the delivery of savings and mitigations of over £15 million in year. This being a mixture of one-off and recurrent savings.

4. The majority of the overspend forecast is based on demand being faced within adults and children's social care and is a situation that could worsen as we progress through the year. Demand management and savings opportunities are being implemented within People Services; however significant cross council action is required to support the closure of the financial gap.

5. £4.65 million of the recurrent corporate savings target of £5.15 million is forecast to be achieved this financial year, as detailed in paragraphs 50 and 51. Although £2.3 million is non-recurrent so still needs to be addressed in year or for 2023/24.

6. It is expected that all of the Covid General and Contain Outbreak Management Grants which were carried forward will be fully utilised in 2022/23, as detailed in paragraphs 24 to 27 and Appendix 2.

7. Looking forward, the Council will be refreshing its Medium-Term Financial Plan in time for February's budget setting, noting the continual need to invest in the priorities that support vulnerable children and adults, ensuring road and infrastructure improvements support strong economic growth for the county area whilst acknowledging the financial risks on our income as we continue to recover from the effects of the pandemic.

8. This report also notes the latest position with regard to the continuing overspend on the Dedicated Schools Grant (DSG) High Needs Block as detailed in paragraphs 33 – 40.

9. An update on the latest borrowing and lending transactions are also reported in paragraphs 74 and 75.

Summary Revenue Budget Monitoring 2022/23 Forecast at Month 4 (31 July 2021)

10. The County Council's net budget of £373 million was set by Full Council in February 2022.

11. This report covers the forecast financial position for 2022/23 to the end of Month 4 (31 July 2022).

12. The overall outturn forecast at Month 4 is for a net overspend of £8.337 million, as set out in **Table 1**, with further breakdown for each service area is set out in **Appendix 1**

Table 1: 2022/23 Month 4 Forecast

Service Area	Budget £m	Forecast £m	Variance £m
People – Adults	139.827	146.326	6.499
People – Communities	20.593	20.593	0
Public Health	0.124	0.124	0
Children's Services/WCF	108.648	110.431	1.783
Economy & Infrastructure	59.226	59.228	0.002
Commercial & Change	7.256	7.256	0
Chief Executive	1.434	1.431	-0.003
Total: Service excl DSG	337.108	345.389	8.281
Finance/Corporate Items	36.589	36.145	-0.444
Non-assigned items	-0.500	0	0.500
TOTAL	373.197	381.534	8.337

13. The above table shows a net £8.281 million overspend on services, a £0.444 million underspend on corporate areas as a result of no commitments allocated against the corporate contingency budget, and a £0.5 million overspend due to a shortfall in the identification of corporate savings target (originally £5.15 million).

14. The identified £4.65 million corporate savings targets have been allocated to directorates and their base budgets reduced by the corresponding amounts, with details shown in paragraphs 50 and 51.

Adult Social Care Budget £139.8m, £6.5m overspend

15. As reported at the end of 2021/22, placement activity was higher than forecast with an underlying overspend of c£6.1 million for last financial year, mitigated by one-off sources of funding. Demand has continued to rise in the first quarter of 2022/23 and unit costs have also increased.

16. 2022/23 financial forecasts have been based on a net 4% client growth in totality by the year end, any increase or decrease in client growth above or below the forecast rate will result in a change to this financial position.

17. As at the end of July, the long-term placement numbers had already identified client growth of 2% since the end of March 2022 equating to a net increase of 104 Clients.

18. This is a national issue being seen by councils across the country, following the effect of the pandemic and increases in unit costs due to the current economic climate and increases in utility, food, transport and wage costs.

19. The forecast gross outturn for Adult Services placements is currently estimated at £13.6m before mitigation, with variances from budget included in the following paragraphs.

- The *Older People* service area is currently forecasting a gross placement overspend of £4.8 million. Both an increase in client numbers (3%) and unit costs are the cost drivers within this area. An increase of 95 clients (15%) has been seen in residential care since the end of March, along with an average 6% increase in unit costs (£39 / client / week increase to budgeted costs). Although nursing care and direct payment client numbers have decreased by 1%, unit costs have increased by 6% (£47 / person / week) and 7% (£25 / person / week) respectively.
- *Learning Disabilities* is currently forecasting a gross placement overspend of £4 million. The total number of clients within this service area have not increased since March, but significant increases are being seen in the unit cost of placements, with residential placements increasing by 7% (£112 / person / week), domiciliary care costs increasing by 20% (£65 / person / week) and supported living costs increasing by 6% (£71 / person / week).
- *Mental Health Services* are demonstrating a forecast £2.8m overspend against budget in the main relating to an increase in unit costs for clients supported under S117 of the Mental Health Act. An average nursing placement is 27% greater than this time last year. There are currently very few providers within Worcestershire that can offer client placements with the required level of need, therefore these are having to be sought out of county, at additional cost. This is an area for development that is being explored.
- *Physical Disabilities* is currently forecasting an overspend of £1.9m, due to both client numbers and increases in unit costs. Residential average weekly costs have increased by 7% since budget setting (£84 / person / week) with client numbers increasing by 14%.

20. In year mitigations totalling £7.2m have been identified by the directorate to bring the in-year forecast overspend down to £6.5m, as shown in **Table 2**.

Table 2 – Net Position following in-year mitigations 2022/23

	£m	£m
Overspend Predicted		13.6
Mitigations:		
- use of specific Adult Social Care reserve	2.2	
- unallocated growth for Liberty Protection Safeguards	1.0	
- additional forecast income for clients receiving Continuing Health Care	2.4	
- unallocated Transformation reserve	0.5	
- vacancy management	0.6	
- reduction in Direct Payment Contingency from 8 weeks to 6 weeks	0.4	
Total Mitigations		7.1
Net Pressure		6.5

21. As well as the mitigations above, as part of the identification of savings targets to support the £5.1m in year savings, Adults have identified a total of £2.7m towards this target, although c£0.8m of this relates to the one-off use of Public Health Ring-Fenced Grant (PHRG) and £0.8m use of COMF Funding.

22. The directorate is also working on a number of demand management opportunities and also reviewing the unit costs of all high-cost placements to ensure value for money whilst ensuring the clients Care Act needs are met. This includes focussing on the potential use of direct payments, community support and the further development of the Here2Help offer.

Communities Budget £20.6m

23. The forecast break-even position includes the following managed risks, which have been managed by vacancy control and increased income in Registration Services:

- An increase in the vacant space within county libraries, which is resulting in a reduction of income,
- An increase in utility costs and
- An increase in the Hive PFI RPI rate higher than initially budgeted

Public Health includes £31.2m Public Health Grant Income and related expenditure. Other services with a net £0.12m budget at breakeven

24. The ring-fenced Public Health Grant is expected to be fully utilised during 2022/23.

25. The Interim Director of Public Health has developed a 3-year plan for the use of the Public Health Reserve, the opening balance for 2022/23 being £9.7 million. Of this £3.7 million is expected to be utilised in year. The latest draft of the plan includes allocation of funding for children’s prevention and early help, youth support, mental health support across children and adult services and health protection activities.

26. Any proposed changes to this plan will be reported to a future Cabinet for amendment.

27. **Appendix 2** also details the proposed allocation of the £4.266 million Contain Outbreak Management Fund (COMF) which was carried forward into 2022/23.

Worcestershire Children First (WCF) Budget 135m - £1.8m deficit

28. Worcestershire Children First (WCF) is forecasting a deficit of £1.783 million. This deficit is within WCF and narrative is included alongside Council variances for information purposes. The Council's contract with WCF which is included in the People Directorate is forecast to balance as this relates to the agreed contract for this financial year, and variance on WCF will be a consideration for future Council budget allocations.

29. Placements numbers and average costs are the most volatile and high-risk area of the Social Care budget, and at present the trajectory of the figures indicates that the activity will drive a c£1.8 million overspend this year.

30. The current number of placements is 939, a sharp increase from the figure of 921 from June, in the last year the increase has been around 3%.

31. There is also pressure in the All-Age Disability Service mostly relating to the Educational Psychology Service which forecasts additional costs of £0.29 million for associates in order to manage demand/caseloads. This is offset by some underspend elsewhere in WCF to mitigate the pressure in the service.

32. Home to School Transport (HTST) is forecast to overspend by c£1+ million this year. This is due to current inflationary pressures on providers, which will result in increased prices for the service – primarily the impact of fuel and staffing costs. There is also increased demand with more parents seeking use of transport and more children receiving a transport package as part of their Education, Health and Care Plans. This predicted overspend position can be met from within the earmarked reserve for SEND transport and from an allocation from the COVID grant reserve. This position will continue to be closely monitored at the Corporate Transport Board.

Dedicated Schools Grant (DSG) - £236m budget

33. The starting point for the DSG reserve is a deficit balance of £11.3m, built up from previous years High Needs overspends. With the in-year projections and known catch-up commitments from money received in 2021/22, the forecast position at year-end is a £15.3m deficit balance. **Table 3** details the forecast position for the current and next financial year.

Table 3 – Forecast DSG Position

Summary Position for Dedicated Schools Grant	
	£m
Accumulated Deficit 1 April 2022	11.3
High Needs Deficit 2022/23	4.9
Savings on Other Blocks	-0.8
Accumulated Deficit 31 March 2023	15.4
Projected Early Years and Schools Block	-0.5
Projected High Needs Shortfall 2022/23	5.0
Projected Accumulated Deficit 31 March 2024	19.9

34. Whilst DSG allocations are generally forecast to continue to rise but not at the rate of the last few years, the provisional 2023/24 DSG budgets have been announced and is to increase by around 5%. DSG spend is forecast to rise at a faster rate for Worcestershire and the deficit will increase to around £15 million by the end of 2022/23.

35. The High Needs deficit does impact on the council's financial sustainability, as the deficit sits as a negative unusable reserve on the balance sheet permitted via a statutory instrument. Currently, there is a temporary statutory override to ringfence DSG deficits from councils' wider financial position in their statutory accounts. The Council has not set aside any of its own resources, for example as an earmarked reserve, to specifically offset this accumulating deficit.

36. As it stands, this ringfence is due to end after the accounts for the financial year 2022/23, at which point authorities will need to demonstrate their ability to cover DSG deficits from their available reserves (the deficit is forecast to be c £15 million at the end of 2022/23) which could directly impact the Council's financial position, increasing funding pressures. It is worth noting that this is not a Worcestershire County Council issue in isolation and is a major concern amongst local authorities nationally.

37. High Needs funding and the impact of the deficit is a national issue and to address the future sustainability the DfE is investing a one off £85 million (c£60m for LA's) in the Delivering Better Value in SEND (DBV) programme. This will support the 55 local authorities with deficits to reform their high needs systems, addressing the underlying issues that lead to increased pressure, and putting them on a more sustainable footing. Worcestershire is one of the 55 Local Authorities and is participating in the programme which is being supported by Newton Europe and CIPFA who we have previously worked aside in Social Care and through the Society of County Treasurers. Worcestershire is confirmed in Phase 1 - tranche 2, which starts in January to June 2023.

38. For information Authorities with the highest deficits participate in the safety valve intervention programme.

39. The crystallisation of this risk will continue therefore to be monitored alongside the Chief Finance Officer's (CFO's) assessment of the adequacy of the Council's reserves, in particular the Financial Risk Reserve.

40. The council continues to work with the Local Government Association and other local authorities to seek clarification on both the position once the statutory instrument expires and a sustainable funding strategy for the High Needs budget.

Economy & Infrastructure (E&I) – Budget £59.7m

41. The Economy and Infrastructure Directorate is forecasting to broadly meet its £59.7 million budget.

42. The most significant variance from budget is a c£7.5million overspend for Waste Services. This comprises the previously agreed savings target and additional tonnage and inflationary costs. It is anticipated that the net overspend will be funded by a transfer from the Waste PFI reserve, the agreed reduced contract price currently being finalised and a contribution from the COVID general reserve.

43. There are a number of pressures relating to inflationary increases, recognising increased materials and fuel costs, and reduction in levels of income partly due to the impacts of COVID-19. Additional pressures are also being seen where consultancy costs are being incurred to cover hard to fill vacancies. It is however expected that additional income generated within Network Management will offset these pressures. Work continues within the directorate to monitor and evaluate the impacts of the current economic climate and establish mitigating action to ensure budget pressures can be contained.

Commercial and Commissioning – Budget £7.3m

44. The Commercial and Commissioning Directorate is forecasting to deliver in line with its cash limited budget. The recurring element of the underspend identified in 2021/22 has been used to support the council-wide savings target.

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

- A forecast £0.6 million overspend in Legal and Democratic Services due to a significant increase in child-care cases which require pre-proceedings and court support. The overspend is planned to be offset in year by the use of the COVID grant reserve.
- £0.2 million forecast inflationary pressures within Property Services which has been offset by a decrease in forecast costs expected within the reactive maintenance budget.

Chief Executive/HR – Budget £1.4m

46. The Chief Executive/HR function is forecasting to broadly break even after identifying c£0.15 million of savings to contribute to the corporate savings target.

Finance / Corporate / Non-assigned Budget £36.6m, underspend £0.444m underspend

47. The Financial Services budget includes corporate items such as the Financial Services team, Debt Interest and Minimum Revenue Provision (MRP).

48. The £34.6 million budget for Finance / Corporate Items is forecast to underspend in total by £0.444 million. This relates to an assumed release of the £0.444 million Whole Organisation Contingency. There are currently no spending commitments against this balance and thus can be released as an underspend to offset overall cost pressures.

49. At this stage it is understood that national employers have submitted a “final offer” to Trade Unions relating to the 2022/23 pay increase. This equates to £1,925 per person but brings with it increases in employers’ pension and national insurance contributions. This equates to a budgetary increase of c£5.5m for Worcestershire County Council. In February 2022, Council set a budget with an assumed pay uplift of 1.25%. The gap equates to £4 million of new and additional pressure. It is intended to fund this additional cost in 2022/23 from the Finance Risk Reserve. This will need to be addressed recurrently in setting the 2023/24 budget.

Savings programme Update

50. The Council set its budget for 2022/23 in February 2022. Within that there was a £5.15 million savings target to be identified. At the end of July 2022 £0.225 million had been identified from a good housekeeping exercise, plus a further £4.425 million (including £2.708 million from ASC) resulting in the total found being £4.65 million. This leaves a gap of £0.5 million to find of the £5.15 million target, as shown in **Table 4**.

51. However, £1.6 million of these proposals are relating to one-off use of Public Health grant and a further £0.7 million of the savings are also one-off, giving a recurrent pressure from 2023/24 of £2.3 million to be mitigated.

Table 4: Savings Forecast as at Month 4 2022/23

Service Area	Saving £m	Detail
People – Adults	2.708	Use of Public Health Grant and COMF funding on a one off basis to fund eligible expenditure Deletion of non-essential vacant posts and use of forecast additional income to fund learning disability reviews
People - Communities	0.025	Vacancy management
COACH	0.430	Review of supplies and services and property spend Increase in income and deletion of non-essential vacancies
E&I	0.435	Deletion of non-essential vacant posts Additional network control income
Finance	0.182	Deletion of vacant posts
HR	0.150	Talent Management reduced delivery
WCF	0.495	Deletion of vacant posts and delay in recruitment
Good housekeeping	0.225	General reduction in supplies and service budgets including subscriptions and office expenses
Total	4.650	
Target	5.150	
Balance Remaining	0.500	

Planned use of COVID Grant Reserve

52. A total of £13.292 million of Covid-19 related general grants were carried forward from 2021/22 into 2022/23. A plan to allocate the unspent grant has been prepared to support ongoing recovery across the Council's services in 2022/23. This includes the previously approved

- £2.0 million increase to the Open for Business Reserve continue to support the economy and tourism as the County continues to recover from the pandemic
- £1.0 million transfer from COVID grant carry forward to the Waste Reserve to reflect the ongoing additional cost of waste disposal still being incurred due to the pandemic.
- £2.1 million to support the overall council budget

53. Cabinet is requested to approve the remaining planned allocations from this fund, as detailed in **Appendix 3**, which includes

- £0.5 million allocation for additional costs associated with Adult Social Care reviews delayed due to staff working on pandemic activities
- £0.6 million to support the additional costs arising from increase in Home to School and SEND transport
- £0.6 million to support additional legal costs associated with childcare cases, education and adult care appeals and legal fees
- £0.1 million in relation to improvements at Countryside Centres and Libraries
- A provision of £1.5 million to support ongoing inflationary increases in services recovering from the impact of the pandemic such as transport

Update on Open For Business Reserve

54. Council originally allocated £7 million within the Capital Programme towards schemes meeting the relevant criteria for funding. To date £5.273 million has been allocated, leaving £1.727 million available. A report elsewhere on this cabinet agenda entitled Open For Business recommends the use of £0.727 million of this remaining allocation towards the Business Worcestershire Scheme. This leaves an uncommitted balance of £1 million for future allocation. A breakdown of commitments to date are included in **Appendix 4a**, and includes allocations towards Here to Help Business Support, a transport model for Worcestershire and investment into the W6 Programme.

55. A total of £9 million has been made available since April 2020 in the form of the Open for Business revenue reserve. £2.490 million of this has been allocated to date towards schemes, leaving £6.511 million of the reserve funding available for allocation. A breakdown of commitments to date are included in **Appendix 4b**, and includes allocations towards Inspiring Worcestershire, One Worcestershire Tourism scheme, implementation of 5G and Here to Help for Businesses.

56. The three schemes in Open for Business Cabinet report are requesting allocation of a total of £6.121 million, with £3.364 million towards Business Worcestershire, £1.460 million for Visit Worcestershire and £1.297 million for Workforce Planning. This leaves an uncommitted balance of £0.390 million for future allocation.

Earmarked Reserves

57. All earmarked and grant reserves are retained either under the delegated authority given to Chief Officers in the Financial Regulations or by Cabinet/Cabinet Member approval, this is subject to recommendations jointly by a Chief Officer in agreement with the Chief Financial Officer for carry forward each year.

58. In February 2022 the Cabinet approved a 2022/23 Budget and Medium-Term Financial Plan Update report that included a forecast of Earmarked Reserves which was based on the best knowledge available at that time.

59. During the year, the Council draws down funding from unspent grant and earmarked reserves to help fund expenditure.

60. Cabinet are being asked to note that funding was set aside from the Finance Risk Reserve, as previously agreed by Cabinet, to support households and businesses following the flood which occurred in February 2022. The scheme was open for applications from 8 March 2022 to 19 May 2022. 65 payments were made to businesses and 79 to private householders affected. The 144 payments relating to support which were made by the County Council had a total cost of £84,750.

61. Cabinet are recommended to approve the following uses of reserves support expenditure being incurred in the revenue account

- £0.360 million from the Strategic Infrastructure Fund to complete the Outline Business Cases for North West Worcestershire Corridor (NWWC) Scheme and the A44 / A4538 scheme which is detailed in a separate report on this agenda
- £2.2 million allocation from the Adult Social Care Reserve to partially mitigate overspend position within the directorate
- £0.2 million allocation from the Strategic Infrastructure Fund for external legal and financial advice to support development of strategic business cases
- £0.5 million from the Transformation Reserve for Adult Social Care to partially mitigate the gross overspend forecast

- £0.15 million allocation for costs arising from the scheduled upgrade and improvements to the Councils corporate financial system (E5) to be funded from the Finance Risk Reserve
- £0.3 million allocation from the Finance Risk Reserve to support a legal challenge in relation to a planning matter
- £0.4 million from the SEND transport reserve to offset the forecast increase in costs, along with £0.6 million use of COVID grant reserves
- £4 million to fund the potential higher than forecast “final pay offer” proposed nationally by employers, from the Business Rates Risk Reserve

Update on Capital Programme

62. Since the Draft Capital Programme was approved in February 2022, the Council has received the following increases in external funding and therefore requests that Cabinet recommends to Council an increase in the Capital Programme as detailed in the following paragraphs.

63. Following notification from the Department of Transport, the Council is expected to receive an additional £21.161 million for 2022/23 relating to Local Transport Capital. A similar amount has also been indicated for 2023/24 and 2024/25, meaning an increase to the capital programme of c£63.5 million over the three-year period.

64. On 8 August 2022 the Department for Transport announced £43 million will be invested into the Council's A38 improvement scheme in Bromsgrove as part of the Major Road Network Fund, subject to successful submission of the final business case. The money will help to tackle congestion, improve journeys and support thousands of new jobs and homes. Planned works will install new lanes at key junctions and widen the existing road, helping to improve traffic flow and reduce the threat of any unnecessary bottlenecks. These upgrades will take place on a 7.5-mile stretch of the route, between the M5 Junction 4 to the north and the A38/B4094 to the south.

65. Following notification from the Department for Education, the 2022/23 Basic Need Grant has increased by £0.525 million from the £7.57 million included in the Draft Capital Programme to £8.095 million. Funding for 2023/24 and 2024/25 has also been allocated at £7.128 million and £5.303 million respectively.

66. Subject to approval of the Cabinet Report elsewhere on today's agenda relating to Kepax Bridge, virements and additions to the Capital Programme will be requested to be approved by Council as detailed within that report, namely

- £0.813m – external contribution from Worcester City Council
- £2.325m – external contribution from Worcester City Council via the Towns Fund
- £5m virement from the existing allocation in the Capital Programme to address inflationary pressures on Major Projects
- £0.410 million from the unallocated Public Realm existing capital programme
- £1.781 million from the Strategic Infrastructure existing capital programme
- a £0.571 million allocation from the Highways Capital Maintenance Budget

67. Other education and schools' grants have also been awarded, which are

- £4.081 million for the Schools Condition Allocation,
- £5.285 million relating to Higher Needs Provision Capital with an allocation of £5.422 million for 2023/24
- £0.703 million for the Devolved Formula Grant,
- £0.2 million for the Schools Nurseries Grant.
- £0.193 million for the "One Bedroom Project".

68. The Council is currently involved in a legal adjudication with one of its suppliers, with an anticipated payment of up to £3.9m being required should the ruling go against the Council. The Council is continuing to take legal advice, and should the Council be compelled to pay the stated sums, we expect to be able to recover some or all of this payment within this financial year. In the interim, a variation to the capital programme is required, funded from additional borrowing.

Medium Term Financial Planning

69. The County Council's Medium Term Financial Plan (MTFP) was approved by Full Council in February 2022, however, based on the current economic climate, the impact of inflation and pay awards there will be a need to consider the current financial pressures and the extent to which they affect future years when the MTFP is revised as part of the normal budget planning cycle.

70. The Council continues to manage the residual local impact of COVID-19 whilst maintaining service delivery. The knock-on effects on the number of claimants of Council Tax Support (managed by our District Councils) and potential reductions in business rates income will put stress on the level of funding available to the Council.

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

72. There are a number of areas which are subject to considerable change over the next few months and the Council will look to update its MTFP in preparation for the 2023/24 Budget Cycle. The main areas include the level of income expected to be collected and the impact on future demand and inflation.

73. It is nevertheless anticipated that we will present a draft budget by January 2023 for public consultation whilst also revising our Corporate Plan outlines priority investment in services.

Borrowing and Lending Transactions 2021/22

74. In accordance with Financial Regulations and the County Council's Treasury Management Policy Statement, the Chief Financial Officer is required to report annually on the activities of the Treasury Management operation. This report is set out at **Appendix 5**.

75. The key highlights of this report are: -

- The Council's treasury activities were managed successfully within the approved Prudential Indicator limits.

- There were a number of base rate changes during the year being 0.50% on the 3 February 2022 and 0.75% from the 17 March 2022.
- Investments were prudently made to the UK Debt Management Office, other local authorities, Money Market Funds and Ultra-Short duration Bond Funds are in line with the existing County Council Treasury Management Policy.
- £36.5 million of existing loans have been repaid during the year.
- No new long-term loans were taken out during 2021/22 as the cashflow needs were managed from within internal resources during the year.
- Total long-term debt outstanding is within plan and stood at £486.5 million at 31 March 2022 at an average rate of 3.27% (3.27% for 2020/21).

Legal Implications

76. 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

77. 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.

78. 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.

79. 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.

80. 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

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

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

Equality Duty Considerations

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

Risk Implications

84. The Cabinet report includes recommendations regarding the Council's forecast financial position for 2022/23 and the use of earmarked reserves and unspent grants.

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

Privacy and Public Health Impact Assessment

86. A Health Impact Assessment has been undertaken with regard to this report and recommendations relating to new spending decisions to understand the potential impact they can have on Public Health outcomes across the county area.

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

88. Taking this into account, it has been concluded that there are no other specific health impacts as a result of new decisions arising from this Cabinet report.

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

Supporting Information

- **Appendix 1** – Budget Monitoring Outturn Forecast for Month 4 as at 31 July 2022
- **Appendix 2** – COMF allocations
- **Appendix 3** – Allocation of COVID General Funding
- **Appendix 4** – Open For Business – Capital Programme and Revenue Reserve
- **Appendix 5** – Treasury Management

Contact Points

County Council Contact Points

County Council: 01905 763763

Specific Contact Points for this Report

Michael Hudson, Chief Financial Officer, 01905 84**5560**, mhudson@worcestershire.gov.uk

Stephanie Simcox, Deputy Chief Financial Officer, 01905 84**6342**
ssimcox@worcestershire.gov.uk

Chris Bird, Chief Accountant, 01905 84**6994**, CBird1@worcestershire.gov.uk

Background Papers

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

Previous Cabinet Resources Reports

P4 Outturn Forecast - 2022/23 SLT Revenue Budget Monitoring Forecast by Service					One Off / Adjustments						
Service	2022/23 Gross Budget	2022/23 Net Budget	2022/23 Forecast Excluding One-off Adjustments	22/23 Draft Variance Before Adj's	Transfer to Capital	Trf To Reserves	Trf From Reserves	Use of general Covid grant	Proposed C/Fwds	Variance After Adj's	Variance After Adj's
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	%
DSG - School Formula Budgets	124,528	128,077	127,737	(340)	0	0	0	0	340	0	0.0%
DSG - High Needs Pupils	59,275	69,060	73,960	4,900	0	0	0	0	(4,900)	0	0.0%
DSG - Early Years	36,476	35,418	34,914	(504)	0	0	0	0	504	0	0.0%
DSG - Statutory Duties / Historic Commitments	3,377	3,325	3,325	0	0	0	0	0	0	0	0.0%
DSG - Other School Grants	15,177	0	0	0	0	0	0	0	0	0	0.0%
DSG - Dedicated Schools Grant	7,320	(235,880)	(235,880)	0	0	0	0	0	0	0	0.0%
Total Dedicated Schools Grant (DSG)	246,153	0	4,056	4,056	0	0	0	0	(4,056)	0	0.0%
WCF Contract	124,949	108,648	110,431	1,783	0	0	0	0	0	1,783	1.6%
Total WCF (Excl DSG)	124,949	108,648	110,431	1,783	0	0	0	0	0	1,783	1.6%
Economy & Sustainability	5,688	1,425	3,996	2,571	(26)	722	(3,400)	0	0	(133)	-9.3%
Planning and Regulation	1,482	724	1,845	1,121	(159)	0	(687)	0	0	275	38.0%
Major Projects	2,603	28	1,142	1,114	(1,025)	0	0	0	0	89	317.9%
Passenger Transport Operations	18,071	11,565	11,803	238	(36)	0	(152)	0	0	50	0.4%
Business Management	827	(30)	(118)	(88)	58	0	0	0	0	(30)	100.0%
Infrastructure & Contracts	1,509	1,509	1,611	102	(62)	0	0	0	0	40	2.7%
Waste Management	51,044	29,805	37,348	7,543	0	0	(7,571)	0	0	(28)	-0.1%
Network Management	3,767	452	417	(35)	(107)	126	(207)	0	0	(223)	-49.3%
Development Management	1,113	166	166	0	0	0	0	0	0	0	0.0%
Highways Operations & PROW	8,754	8,733	10,678	1,945	(1,972)	0	(42)	0	0	(69)	-0.8%
Road Lighting	4,913	4,849	5,023	174	(143)	0	0	0	0	31	0.6%
<i>Economy Overview and Scrutiny Panel</i>	30,180	15,221	20,279	5,058	(1,250)	722	(4,239)	0	0	291	1.9%
<i>Environment Overview and scrutiny panel</i>	69,591	44,005	53,632	9,627	(2,222)	126	(7,820)	0	0	(289)	-0.7%
Economy & Infrastructure	99,771	59,226	73,911	14,685	(3,472)	848	(12,059)	0	0	2	0.0%

P4 Outturn Forecast - 2022/23 SLT Revenue Budget Monitoring Forecast by Service					One Off / Adjustments						
Service	2022/23 Gross Budget	2022/23 Net Budget	2022/23 Forecast Excluding One-off Adjustments	22/23 Draft Variance Before Adj's	Transfer to Capital	Trf To Reserves	Trf From Reserves	Use of general Covid grant	Proposed C/Fwds	Variance After Adj's	Variance After Adj's
	£000	£000	£000	£000	£000		£000	£000	£000	£000	%
COACH - Management	619	261	261	0	0	0	0	0	0	0	0.0%
Property Services	8,367	89	290	201	(75)	0	(181)	0	0	(55)	-61.8%
Commercial Team	2,926	711	806	95	0	0	(95)	0	0	0	0.0%
Legal and Democratic Services	8,267	5,250	5,958	708	(20)	112	(670)	(75)	0	55	1.0%
Technology	9,838	952	1,392	440	(254)	0	(186)	0	0	0	0.0%
Transformation & Change	1,863	(7)	1,120	1,127	0	0	(1,127)	0	0	0	0.0%
Total Commercial and Change	31,880	7,256	9,827	2,571	(349)	112	(2,259)	(75)	0	0	0.0%
Health & Safety	366	24	24	0	0	0	0	0	0	0	0.0%
HR Core Structure	4,954	658	860	202	0	0	(202)	0	0	0	0.0%
Content & Communications	1,199	365	391	26	0	0	(26)	0	0	0	0.0%
HR Old Structure	0	0	0	0	0	0	0	0	0	0	#DIV/0!
Chief Executive	387	387	384	(3)	0	0	0	0	0	(3)	-0.8%
Total Chief Executive	6,906	1,434	1,659	225	0	0	(228)	0	0	(3)	-0.2%
Adults Commissioning Unit	16,159	1,342	2,554	1,212	0	0	(1,289)	0	0	(77)	-5.7%
Learning Disabilities	77,135	65,701	68,936	3,235	0	0	0	0	0	3,235	4.9%
Mental Health	27,941	19,150	21,073	1,923	0	0	0	0	0	1,923	10.0%
Older People	106,724	71,948	74,422	2,474	(440)	0	0	(50)	0	1,984	2.8%
Physical Disabilities	20,900	16,418	18,306	1,888	0	0	0	0	0	1,888	11.5%
Support Services	558	(18,706)	(19,039)	(333)	0	0	0	0	0	(333)	1.8%
Future Fit including Grants	1,071	(16,026)	(15,947)	79	0	0	(2,200)	0	0	(2,121)	13.2%
Total People - Adult Services	250,488	139,827	150,305	10,478	(440)	0	(3,489)	(50)	0	6,499	4.6%
Registration & Coroner	2,245	765	765	0	0	0	0	0	0	0	0.0%
Strategic Libraries & Learning	12,392	4,362	4,482	120	0	0	0	0	0	120	2.8%
Museums Service	776	658	653	(5)	0	0	0	0	0	(5)	-0.8%
Severn Arts Music	0	0	0	0	0	0	0	0	0	0	0.0%
Countryside Greenspace	2,159	196	197	1	0	0	0	0	0	1	0.5%
Community Leadership	351	326	210	(116)	0	0	0	0	0	(116)	-35.6%
Skills & Inv incAdult learning	5,466	430	430	0	0	0	0	0	0	0	0.0%
SENDIASS	265	57	57	0	0	0	0	0	0	0	0.0%
Chs Comm & Ptnership	365	365	365	0	0	0	0	0	0	0	0.0%
Education Statutory	43	0	0	0	0	0	0	0	0	0	0.0%
Historic Chs	11,046	120	225	105	0	0	(105)	0	0	0	0.0%
Archives & Archaeology	3,656	1,573	1,573	0	0	0	0	0	0	0	0.0%
Provider services	16,369	9,645	9,645	0	0	0	0	0	0	0	0.0%
Childrens S75	2,297	2,096	2,096	0	0	0	0	0	0	0	0.0%
Here 2 Help	0	0	0	0	0	0	0	0	0	0	0.0%
Total People - Communities	57,430	20,593	20,698	105	0	0	(105)	0	0	0	0.0%

forecast

Service	2022/23 Gross Budget	2022/23 Net Budget	2022/23 Forecast Excluding One-off Adjustments	22/23 Draft Variance Before Adj's	Transfer to Capital	Trf To Reserves	Trf From Reserves	Use of general Covid grant	Proposed C/Fwds	Variance After Adj's	Variance After Adj's
	£000	£000	£000	£000	£000		£000	£000	£000	£000	%
Public Health Ring Fenced Grant	36,648	0	3,323	3,323	0	0	(3,323)	0	0	0	0.0%
Trading Standards	879	122	122	0	0	0	0	0	0	0	0.0%
Public Analyst	69	2	2	0	0	0	0	0	0	0	0.0%
Non PHRFG activities	1,194	0	98	98	0	0	(98)	0		0	0.0%
Public Health	38,790	124	3,545	3,421	0	0	(3,421)	0	0	0	0.0%
Total : Services (Excl DSG)	610,214	337,108	370,376	33,268	(4,261)	960	(21,561)	(125)	0	8,281	2.5%
Financial Services	5,575	1,483	1,878	395	0	0	(395)	0	0	0	0.0%
Financing Transactions (Borrowing and Investments)	18,075	19,678	19,678	0	0	0	0	0	0	0	0.0%
MRP	11,098	11,098	11,098	0	0	0	0	0	0	0	0.0%
Contributions and Precepts	267	267	267	0	0	0	0	0	0	0	0.0%
Pension Fund Backfunding Liabilities	4,464	4,464	4,464	0	0	0	0	0	0	0	0.0%
Miscellaneous Whole Organisation Services	924	668	668	0	0	0	0	0	0	0	0.0%
New Homes Bonus Grant Income	0	(1,513)	(1,513)	0	0	0	0	0	0	0	0.0%
COVID-19	0	0	0	0	0	0	0	0	0	0	0.0%
Whole Organisation - Contingency	444	444	0	(444)	0	0	0	0	0	(444)	-100.0%
Finance / Corporate Items	40,847	36,589	36,540	(49)	0		(395)	0	0	(444)	-1.2%
Organisation Review	(1,500)	(500)	0	500	0	0	0	0	0	500	-100.0%
Other General Covid-19 Pressures	0	0	0	0	0	0	0	0	0	0	0.0%
Commercial Savings	0	0	0	0	0	0	0	0	0	0	0.0%
Financial Risk Reserve	0	0	0	0	0	0	0	0	0	0	0.0%
Non-Assigned Items	0	(500)	0	500	0		0	0	0	500	-100.0%
Funding - Transfer To/(From) Reserves			0	0	0		0		0	0	0.0%
Total (Excl DSG)	651,061	373,197	406,916	33,719	(4,261)		(21,956)	(125)	0	8,337	2.2%
Council Tax	(301,346)	(301,346)	(301,346)	0	0		0		0	0	0.0%
Collection Fund (Surplus) / Deficit	(2,904)	(2,904)	(2,904)	0	0		0		0	0	0.0%
Net Use of Reserves	(261)	(261)	(261)	0	0		0		0	0	0.0%
Business Rates Retention Scheme	(68,686)	(68,686)	(68,686)	0	0		0		0	0	0.0%
Total - Funding	(373,197)	(373,197)	(373,197)	0	0		0	0	0	0	0.0%
Grand Total - Services and Funding (Excl DSG)	277,864	0	33,719	33,719	(4,261)		(21,956)	(125)	0	8,337	
Total Dedicated Schools Grant (DSG)	246,153	0	4,056	4,056	0		0	0	(4,056)	0	
Total	524,017	0	37,775	37,775	(4,261)		(21,956)	(125)	(4,056)	8,337	

Appendix 2
COMF Allocation

Spend Category	2022/23 allocation £'000
Compliance and Enforcement: COVID-19 Secure Marshals or equivalents	237
Compliance and Enforcement: Environmental Health Officers	185
Project Management, commercial support and other staffing	310
Other: Prevention, management of local outbreaks and data intelligence, surveillance and communications	1,395
Support for vulnerable groups and targeted community interventions	1,860
Testing	90
Tracing	206
Total	4,266

Appendix 3 – Allocation of COVID General Funding

Description	Bfwd from 2021/22	New for 22/23	Total Allocated
Funding the Council's budget for 22/23 as agreed by Council in February 2022	2,100,000		2,100,000
Commitment to Here to Help & Integrated Wellbeing Offer as part of the community recovery from the pandemic	2,500,000		2,500,000
Legal - WCF for increased cases post pandemic	35,000	250,000	285,000
Legal - Adults / Education for increased cases post pandemic including schools appeals	55,000	250,000	305,000
Democratic Services - Schools Appeals to manage case loads	2,300	17,700	20,000
Covid recovery - accommodation costs including Council Chamber	218,292	187,708	406,000
Health & Safety professional	98,000		98,000
Commitment to businesses, Tourism and Economic Recovery managed by the Open For Business Board	922,851	2,000,000	2,922,851
Additional Waste Tonnages arising from the pandemic		1,000,000	1,000,000
Allocation for additional costs associated with Adult Social Care reviews delayed due to staff working on pandemic activities	500,000		500,000
In-house Provider Services Support - Adults to continue to deal with Covid related impacts	275,000		275,000
Additional spend relating to marketing and improvements to Countryside Centres and Libraries to help recovery		100,000	100,000
Here to Help Staffing including the Wellbeing advisers as part of the community recovery from the pandemic	251,000		251,000
General Support for inflation and demand issues arising post pandemic for items such as care costs		1,500,000	1,500,000
General spend on Testing, PPE etc		429,510	429,510
Additional costs relating to Home to School and Public Transport on services start to recover numbers post pandemic		600,000	600,000
Total	6,957,443	6,334,918	13,292,361

Open For Business Allocations from the Capital Programme

	£
Capital Programme Allocation	7,000,000
Committed to date	5,273,000
Projects include:	
<ul style="list-style-type: none"> • Malvern Hills Technology Park (1) • Malvern Hills Technology Park (2) • Redditch Rail Feasibility / Quarter • Shrub Hill Estate • Worcester Six Expansion • Worcester Transport model • Here2Help Businesses 	
Proposed in this report:	
Business Worcestershire	727,000
Total commitments	6,000,000
Balance Remaining	1,000,000

Allocations from the Open for Business Revenue Reserve

	£
Reserve total allocation from 1 April 2020 to 31 March 2022	9,000,000
Committed to date	2,489,783
Projects include:	
<ul style="list-style-type: none"> • Energy Strategy • Midlands Engine (contribution for 2 years) • Visit Worcestershire • One Worcestershire • Inspiring Worcestershire • One Worcestershire - Tourism • 5G Contribution • Moving Evesham Forward (Evesham Traffic) • Gamechanger delivery fund • Here2Help Businesses • Malvern College 	
Proposed in this report:	
Business Worcestershire	3,364,071
Visit Worcestershire	1,459,500
Workforce Planning	1,297,079
Total commitments	8,610,433
Balance Remaining	389,567

BORROWING AND LENDING TRANSACTIONS 2021/22

1. In accordance with Financial Regulations and the Council's Treasury Management Policy Statement, the Chief Financial Officer is required to report annually on the activities of the Treasury Management operation
2. This report details the borrowing and lending transactions undertaken by the Council for the 2019/20 financial year. Long term borrowing is used to fund Capital Projects and to replace principal sums repaid during the year. Lending transactions comprise instant access deposits, short-term investments on the London Money Markets, Ultra Short duration Bond Funds and with the Debt Management Office's deposit facility, held at the Bank of England

Background

3. In response to the levels of inflation and increases in cost of living the bank rate was increased to 0.50% on 3 February 2022 and 0.75% from 17 March 2022. In line with the Treasury Management strategy approved by Council investments have been made with the UK Debt Management Office, other Local Authorities, selected banks, Short Bond Funds and Money Market funds.

Borrowing

4. The borrowing transactions and debt outstanding for the Council in 2021/22 are summarised as follows:

Statement of Borrowing Transactions for the year ended 31 March 2022

	Short Term		Long Term			Total Debt £'000
	Local Deposit Loans	Short Term Temporary Loans	PWLB Loans	Money Market Loans	Total Longer Term	
	£'000	£'000	£'000	£'000	£'000	
Debt Outstanding at						
1 April 2021	326	57,500	415,179	50,000	465,179	523,005
Loans Raised	0	0	0	0	0	0
Loans Repaid	(0)	(25,000)	(11,523)	(0)	(11,523)	(36,523)
Net Borrowing	0	(25,000)	(11,523)	0	(11,523)	(36,523)
Debt Outstanding at						
31 March 2022	326	32,500	403,656	50,000	453,656	486,482

5. Total debt outstanding decreased from £523.0 million to £486.5 million during the year. This decrease was primarily of £36.5 million debt repayment. This level of debt is within the Capital Financing Requirement for 2021/22 (£664.1m) and also meets the Prudential Indicators for the authorised limit for external debt (£713.0m) and the operational boundary (£678.0m). All debt is fixed rate and meets the Council's limits on the type of debt it holds (fixed and variable).

6. The total debt consists of longer and short-term debt. The longer-term debt of £486.5 million falls due for repayment as follows:

Within	£m	% of Total Debt
1 year	76.941	15.8
1 – 2 years	28.453	5.8
2 – 5 years	33.879	6.9
5 – 10 years	49.634	10.2
10 years and over	297.575	61.3
	486,482	100.0

7. Total debt outstanding is within plan and stands at £486.5 million at 31 March 2021, at an average rate of 3.27% (3.27% for 2020/21).
8. The short-term debt consists of local deposit loans repayable at seven days' notice which total £0.326 million on 31st March 2022 which is the same when compared with March 2021.

Lending

9. The temporary lending transactions for 2021/22 of the Council's cash balances are summarised as follows:

	£m	£m
Balance at 01/04/2021		57
Investments made during the year (267)	886	
Less		
Investments recalled during the year (276)	(854)	
		32
Balance at 31/03/2022		89

10. All investments are made in accordance with the Council's Treasury Management Policy and to institutions that satisfy the criteria in the Council's Treasury Management Practices.
11. The average rate earned on investments during 2021/22 was 0.73%. The net interest earned on investments totalled £0.899 million.
12. The Chief Financial Officer concludes that the management of debt and short-term investments continues to be cost effective.