

**Worcestershire County Council**

# **Agenda**

## **Cabinet**

**Friday, 1 July 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 3<sup>rd</sup> 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

### Friday, 1 July 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	<b>Apologies and Declarations of Interest</b>	
2	<b>Public Participation</b> 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 Thursday 30 June). 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	<b>Confirmation of the Minutes of the previous meeting</b> The Minutes of the meeting of 26 May 2022 have been previously circulated.	
4	<b>Resources Report - Provisional Financial Results 2021/22</b>	1 - 14
5	<b>Local Government Ombudsman Report</b>	15 - 28
6	<b>Household Support Fund</b>	29 - 36

### NOTES

- Webcasting**

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

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Agenda produced and published by Abraham Ezekiel, Assistant Director for Legal and Governance, County Hall, Spetchley Road, Worcester WR5 2NP

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**CABINET**  
**1 JULY 2022****RESOURCES REPORT – PROVISIONAL FINANCIAL RESULTS**  
**2021/22**

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**Relevant Cabinet Member**

Mr S E Geraghty

**Relevant Officer**

Chief Financial Officer

**Recommendations**

1. **The Cabinet Member with Responsibility for Finance (who is also the Leader of the Council) recommends that Cabinet:**
  - (a) **endorses financial performance for the year ended 31 March 2022 and the unaudited Annual Financial Report and Statement of Accounts 2021/22,**
  - (b) **approves the transfers to increase Earmarked reserves and general balances as detailed in paragraphs 39 to 48,**
  - (c) **considers the draft Annual Governance Statement for 2021/22 for comment before final approval is sought from the Audit and Governance Committee, and**
  - (d) **notes the use of COVID related grant funding from Central Government during 2021/22 and amounts carried forward at 31 March 2022.**

**Introduction**

2. This report details the provisional financial results for the year ended 31 March 2022 subject to external audit and notes the use of COVID related grant income during the year.
3. The report identifies that the Council delivered a small underspend of £1.336 million on its net £352.5 million budget, that is a -0.4% variance. In addition to the net base budget the Council had £70.4 million of COVID related grant income available to use in 2021/22; (£46.9 million received in 2021/22 and £23.5 million brought forward from 2020/21). The majority of these grants were awarded for specific purposes and those relating to Adult Social Care allocated directly to providers. A more detailed analysis of the use of COVID funding in 2021/22 and amounts carried forward to 2022/23 is provided at paragraphs 11 to 15. The £1.336 million underspend will be added to increase the General Fund Balances.
4. Cabinet is asked in this report to endorse the outturn position and approve the carry forward of the Council's Earmarked Reserves and unspent grant monies to the 2022/23 financial year.
5. Financial performance for the Council's Capital Budget is also reported.

## **Provisional Financial Results for the year ended 31 March 2022**

6. The provisional overall outturn for 2021/22 is a **net underspend of £1.336 million**.
7. The Council's formal statutory accounts have been prepared and it is proposed that they will be presented in draft form to the 22 July 2022 meeting of the Audit and Governance Committee. Similar to last year, the statutory deadline for signing off the accounts has been deferred and the External Audit fieldwork will take place later than usual with the aim of enabling the accounts to be signed off with an unqualified audit opinion at the 23 September 2022 Audit and Governance committee meeting within the statutory deadline. An extract of the provisional unaudited accounts is included in this report at Appendix 1(a). The Public Inspection period will be advertised on the Council's website at ([Link](#)).
8. Whilst school balances increased from a net surplus of £3.9 million at 31/3/2021 to £5.9 million at 31/3/2022, the non-schools Dedicated Schools Grant (DSG) will carry forward a significantly increased deficit of £11.3 million due to continued pressures of high needs and Special Educational Needs and Disabilities (SEND) which form the High Needs Budget. Whilst the carried forward deficit will be offset against future DSG income this is a two-year accounting adjustment that needs to be addressed by Government going forward and the Council and Worcestershire Children First are lobby with other bodies to support schools in achieving their financial plans and finding a long-term solution, which is a national issue and is highlighted in the recent Green paper on the SEND Review: Right Support, Right Place, Right Time.
9. The Council's Earmarked Reserves have increased mainly reflecting the timing difference of funding received during the year and that committed to spend in future years as well as unused grants carried forward at 31 March 2022. Reserve balances available for core spend have increased from £97.0 million at 31/3/21 to £144.5 million at the end of the financial year. These reserves are set aside for specific purposes.

## **Use of COVID funding in 2021/22**

10. Table 1 below details the £70.4 million of COVID related grant income that was available for use in 2021/22. All COVID grant funding has been spent in line with grant conditions in 2021/22 with £17.9 million in respect of General COVID grant, Clinically Extremely Vulnerable, Containment Outbreak Management Fund and Home to School Transport to be carried forward to be used in 2022/23.

**Table 1 – Use of COVID grants in 2021/22**

£m	b/fwd from 20/21	21/22 Grant	Total Grant	21/22 Spend	Carry Forward to 22/23
General COVID Grant (Delta)	-9.374	-11.391	<b>-20.765</b>	8.020	<b>-12.745</b>
Clinically Extremely Vulnerable (CEV)	-0.547	0	<b>-0.547</b>	0	<b>-0.547</b>
Contain Outbreak Management Fund	-12.986	-2.940	<b>-15.925</b>	11.660	<b>-4.265</b>
Test and Trace	-0.170	0	<b>-0.170</b>	0.170	<b>0</b>
PPE running costs - DHSC	0	-0.030	<b>-0.030</b>	0.030	<b>0</b>
Community Lateral Flow Testing	0	-0.698	<b>-0.698</b>	0.698	<b>0</b>
Home to School Transport (H2ST)	-0.085	-0.431	<b>-0.516</b>	0.420	<b>-0.096</b>
Transport	-0.283	0	<b>-0.283</b>	0.283	<b>0</b>
Holiday activities and food	-0.083	-1.368	<b>-1.451</b>	1.451	<b>0</b>
Practical Support for those self-isolating	0	-0.945	<b>-0.945</b>	0.945	<b>0</b>
Winter Pressures Grant/Local support grant	0	-2.450	<b>-2.450</b>	2.450	<b>0</b>
Housing Support Fund	0	-3.949	<b>-3.949</b>	3.949	<b>0</b>
CCG funding – Adults	0	-5.975	<b>-5.975</b>	5.975	<b>0</b>
Omicron support – Adults	0	-0.596	<b>-0.596</b>	0.596	<b>0</b>
Infection control to providers – Adults	0	-11.505	<b>-11.505</b>	11.505	<b>0</b>
Workforce Support Grant – Adults	0	-4.595	<b>-4.595</b>	4.595	<b>0</b>
<b>TOTAL</b>	<b>-23.528</b>	<b>-46.871</b>	<b>-70.399</b>	<b>52.462</b>	<b>-17.936</b>

11. The Clinically Extremely Vulnerable (CEV) grant allocated in 2021/22, without conditions, remains unspent at 31 March 2022. This will be added to the unspent General COVID grant to give a carry forward amount of £13.3 million for allocation in 2022/23. A plan to allocate the unspent grant has been prepared to support ongoing recovery across the Council's services in 2022/23.
12. The Home to School Transport (H2ST) grant has underspent by £96k.
13. The Containment Outbreak Management Fund (COMF) spent the majority of its allocation in 2021/22 and has a planned carry forward of £4.265 million against which expenditure is committed in 2022/23.
14. The majority of specific COVID grant allocations ceased in 2021/22 with the exception of two further one off grants which have been allocated in 2022/23: Holiday Activities and Food (£1.6 million to make free places at holiday clubs in Easter, Summer and Christmas school holidays in 2022) and Household Support Fund (£3.9 million to support households most in need). A separate report on the same agenda as this report covers the Household Support Fund allocations.

### Directorate outturn details

15. The causes of significant Directorate outturn variations for 2021/22 are summarised in the following section at paragraphs 19 to 37, and variances by individual service area greater than £0.250 million are set out in more detail in Appendix 3.

The summary table below shows outturn variances for each service with greater detail shown at Appendix 2.

**Table 2: Summary Outturn – 2021/22 Net Directorate Variances (after COVID adjustments) then applied accounting adjustments – capitalisation, use of reserves and carry forward**

Service	2021/22 Gross Budget	2021/22 Net Budget	2021/22 Actuals Excluding One-off Adjustments	21/22 Draft Variance Before Adj's	Transfer to (+) and from (-) Capital	Additional Use of reserves	Tf to Reserves	Additional use of general Covid grant (09027)	Use of other COVID grants	Use of Grants in advance	Allocation of (-) to (+) bad debt provision	Proposed C/Fwds	Variance After Adj's
	£000	£000	£000	£000	£000	£000		£000		£000	£000	£000	£000
Total Dedicated Schools Grant (DSG)	246,153	0	4,810	4,810	0	0	0	0	0	0	0	(4,810)	0
Total WCF (Excl DSG)	124,949	106,791	107,740	2,143	0	(1,351)	0	(589)	(203)	0	0	0	0
Economy & Infrastructure	94,066	55,349	59,088	9,088	(3,240)	(5,822)	84	(355)	0	0	0	0	(245)
Total Commercial and Change	30,659	7,465	8,268	798	(1,081)	(227)	0	(283)	0	0	0	0	(793)
Total Chief Executive	6,120	1,098	850	(248)	0	(54)	66	(12)	0	0	0	0	(248)
Total People - Adult Services	238,518	133,691	135,573	2,367	(465)	(2,220)	0	0	(596)	0	367	558	11
Total People - Communities	57,318	20,131	20,911	779	0	0	0	(546)	(985)	0	0	30	(722)
People - Public Health	33,753	(2,389)	(7,997)	(5,053)	0	0	3,314	(2,513)	0	0	0	4,266	14
Total : Services (Excl DSG)	585,383	322,136	324,433	9,874	(4,786)	(9,674)	3,464	(4,298)	(1,784)	0	367	4,854	(1,983)
Finance / Corporate Items	40,847	34,895	12,089	(26,687)	0	(71)	6,175	0	0	19,730	0	0	(853)
Non-Assigned Items	0	(1,500)	0	1,500	0	0	0	0	0	0	0	0	1,500
Funding - Transfer To/(From) Reserves	(3,000)	(3,000)	0	0	0	0						0	0
Total (Excl DSG)	623,230	352,531	336,522	(15,313)	(4,786)	(9,745)	9,639	(4,298)	(1,784)	19,730	367	4,854	(1,336)

16. There are a number of significant cost pressures that arose across services during the year. Whilst these have been provided to Cabinet previously, their updated position is outlined below in more detail.

**People Services Total Budget £153.8, £0.7m underspend**

17. The People Directorate, comprising Adult Social Care and Communities, underspent its £153.8 million budget by £0.7 million. The outturn includes the following variations:

**People Services - Adult Social Care Budget £133.7m, broadly break-even**

18. The Adult Social Care budget broadly broke even, with variances from budget as follows
- £3.1 million overspend in Learning Disabilities and £0.2 million overspend in Mental Health due higher than expected placement costs, especially in Residential and Nursing services.
  - £0.3 million underspend in Adult Commissioning Unit, due to holding vacant posts.
  - £2.0 million underspend in Support Services due mainly to a one-off recovery of direct payments income, one off funding for hospital discharge support and a reduction in spend on staffing.
  - Note there is a £2.4 million underlying overspend in Older People due to external placement costs, which is offset by non-utilisation of Deprivation of Liberty Safeguards growth funding, COVID funding and staffing efficiencies, leaving a non-recurrent service underspend of £0.9 million.

### **People Services - Communities Budget £20.1m, £0.7m underspend**

19. The key variances from budget are:
- £0.3 million underspend on Children's Commissioning and Partnership, due to the use of one-off Covid grant to fund eligible salary costs.
  - £0.4 million underspend on the cost of delivering building maintenance and savings relating to under-occupancy.

### **People Services - Public Health – includes £31.7m Public Health Grant income – underspend £0.014m for non-PHRG Services**

20. The ring-fenced Public Health Grant (PHRG) underspent in 2021/22 which will allow £3.3 million to be transferred into ring-fenced reserves.
21. The underlying position on the PHRG is due to prudent use in the second exceptional year of COVID to use one-off other non-recurrent grants during the year and allows the Public Health reserve to be preserved for future allocations.
22. The key areas of underspend are:
- £1.3 million of staffing costs and £0.6 million contract costs which were covered by the Contain Outbreak Management Fund (COMF).
  - £0.7 million savings on budgeted inflation due to effective contract negotiations.
  - £0.2 million of the Domestic Abuse contract expenditure which was funded from the New Burdens grants along with £0.1 million use of Substance Misuse Grant and £0.1 million additional Local Reform Community Voices grant.

### **Education / Worcestershire Children First (excl. Dedicated Schools Grant) - Budget £106.8, broadly breakeven**

23. The Worcestershire Children First (WCF) outturn is presented alongside services that remain within the County Council. WCF returned a surplus of £0.1 million in its second full year of trading as well as delivering the required savings of £3 million. These results have been incorporated into the Council's Group Financial Statements.
24. During the year there were increased costs relating to demographic pressures in Placements for Looked After Children and rising costs in residential and external foster care provision, along with increased spend on agency staff, this was offset by management of vacant posts and COVID grant income from WCC.
25. The most significant variances from budget are as follows:
- £1.8 million overspend in Children's Social Care following an increase in placements and average unit costs over the year and includes some increases in agency staffing costs.
  - £0.7 million underspend in Resources due to vacant posts, delayed recruitment, and some deletion of vacant posts.
  - £0.2 million overspend in Education and Early Help due to increased staffing costs within Educational Psychology and SEND services.
26. The Dedicated Schools Grant (DSG) position for the end of the financial year comprised a £6.3m million overspend in the High Needs Block, offset by £1.5 million underspends in the Schools, Central and Early Years blocks. It should be noted that some of underspend on the Schools and Early Years blocks are due to a timing

differences of pupil growth income received and distributed and is likely to be used early in 2022/23. At year end the position shows a £11.3m deficit balance, however due to timing there are calls on Early Years and Pupil growth fund in 2022/23 and so the deficit position at the end of 2022/23 is predicted to be around £19m.

**Table 3: Dedicated Schools Grant – Future Years Forecast**

	<b>£m</b>
Accumulated Deficit 1 April 2021	6.5
High Needs Deficit 2020/21	6.3
Savings on Other Blocks	-1.5
<b>Deficit 31 March 2022</b>	<b>11.3</b>
Potential Future Call on Early Years and Schools Block Pupil Growth	3.1
Projected High Needs Shortfall 2022/23	5.0
<b>Projected Deficit 31 March 2023</b>	<b>19.4</b>

27. It is important to note that accounting guidance has been issued to clarify that this deficit is carried separately from the Council's Earmarked Reserves in the Balance Sheet, which represents the position that the Council expects and is lobbying for the Department for Education is responsible for making good this deficit, noting that the Council has a role to play in achieving service redesign and savings to support future cost and activity increases. This issue is being experienced nationally, and Worcestershire is not alone in facing these pressures. The County Council will continue to lobby through County Council Network, Local Government Association, and other groups.
28. School's balances ended the year with a net £5.9 million surplus (2020/21 £3.9 million surplus), with a fifth of all schools being in deficit totalling £9.9 million (2020/21 £10.2 million):

**Table 4: Schools Outturn Position - Summary**

£9.9	23 Schools in Deficit
£15.8m	93 Schools in Surplus
<b>£5.9m</b>	<b>Net Surplus</b>

### **Economy & Infrastructure (E&I) – Budget £55.3m, £0.245m Underspend**

29. The Economy and Infrastructure Directorate recorded a small underspend of £0.245 million on its £55.3 million budget.

30. The most significant variations are as follows:
- £0.9 million overspend in Transport Planning due to additional costs relating to consultant fees for planning applications which are not able to be capitalised along with professional fees on Development control planning advice.
  - £0.7 million underspend in Network Management due to additional fees & charges income and New Roads and Street Works Act (NRSWA) income.
  - £0.7 million additional income relating to trade waste, savings on long haul budgets, street sweeping, pollution overheads and use of private contractors.
  - £0.6 million additional contractor costs, rates bills and increase in energy costs within the area of Major Projects.
  - £0.3 million additional costs such as those relating to storm damage works including drainage activity and tree removal.
  - £0.4 million additional driver training income and concessionary fare income.
  - £0.3 million additional income generation and reduction in spend on ICT, staffing subscriptions, plus one-off use of COVID grant to support directorate position.

#### **Commercial and Commissioning – Budget £7.5m, £0.8m underspend**

31. The Commercial and Commissioning Directorate underspent its £7.5 million net budget (£30.7 million gross budget) by £0.8 million.
32. The most significant variance from budget is within property service where a £0.8 million underspend is reported due to one-off savings relating to cleaning, reactive and planned maintenance and utility savings which have been delivered through reduced usage of properties throughout the pandemic.

#### **Chief Executive/HR – Budget £1.1m, £0.2m underspend**

33. The Chief Executive/HR function underspent its net £1.1 million net budget (£6.1 million gross budget) by £0.2 million. The key underspends being of £0.1 million within HR due to pausing an element of the Talent Management Programme and a £0.1 million underspend in Engagement and Communications due to a combination of reduced staffing costs and additional income from one-off COVID grants.

#### **Finance / Corporate / Non-assigned Budget £34.9 million, £7 million underspend before transfers to earmarked reserves**

34. The Financial Services budget includes the Financial Services Team, as well as corporate items such as Debt Interest and the Minimum Revenue Provision (MRP).
35. The £34.9 million budget for Finance/Corporate underspent in total by £7 million. The significant variances being:
- £4.1 million underspend in Financing Transactions Borrowing Costs largely as borrowing was deferred and cash balances were maintained at higher levels than originally forecast resulting in additional interest. This underspend has been transferred to the Financial Risk Reserve for use in future years.
  - A net £2.1 million underspend of MRP budget following application of the Council's MRP policy. This underspend has been transferred to the Financial Risk Reserve for use in future years.
  - £0.4 million Whole Organisation Contingency was not drawn down.

## Savings Programme Update

36. The target for 2021/22 was £12.3 million, broken down between £7.1 million for 2021/22 and £5.2 million brought forward from previous years.
37. Recovery from COVID had an impact on the Council's ability to achieve planned savings, balanced with the need to protect service continuity and support recovery from the pandemic. Funding from Government allowed that local authority change activity be reprioritised and thus the County Council achieved planned savings where it could and utilised additional funding to ensure no adverse organisational or service impact occurred in year.
38. The budget for 2022/23 reset the baseline for savings and efficiency targets at £8.0 million and work is in hand during the current financial year to achieve them.

## General Fund Balances

39. The County Council's General Fund Balances are a contingency sum available to pay for unforeseen or exceptional circumstances. External auditors often refer to the level of general balances when considering an organisation's financial health. The value of general balances after the 2021/22 overall underspend outturn of £1.3 million is as follows:

**Table 5: General Fund Balances**

	<b>£m</b>
<b>Balance at 31 March 2021</b>	<b>13.0</b>
<b>Transfer to / (from) General Balances</b>	<b>1.3</b>
<b>Balance at 31 March 2022</b>	<b><u>14.3</u></b>

40. Worcestershire's General Fund Balance stand at £14.3 million, or 3.8% of 2021/22 net expenditure. There is no defined minimum balance. It is the responsibility of the Section 151 Officer to advise the Council of that level based on an assessment of risk. This was reported in February as part of the Cabinet 2022/23 Budget and Medium Term Financial Plan Update ([Link](#)).
41. The outturn position for 2021/22 has enabled a modest increase in General Fund Balances to be made in addition to what was anticipated earlier in February this year. This enables continued strengthening of the Council's overall financial resilience.

## Earmarked Reserves and Grant Reserves

42. 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.
43. 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. Additional sums to represent grant amounts carried forward are included in Earmarked Reserve balances at 31 March 2022 as show in Appendix 7.

44. During the year, the Council drew down funding from unspent grant and earmarked reserves to help fund expenditure. A full list of use of grants / earmarked reserves is included at Appendix 5.
45. Further, it is also proposed that for a number of areas with unspent grant monies or other funding is carried forward to next financial year or onwards. Details of these carry forwards are contained at Appendix 6.
46. It is proposed that the following increases are made to Earmarked Reserves:
- £2.0 million increase to the Open for Business Reserve as a one-off transfer from the carry forward of COVID General grant to continue to support the economy and tourism as the County continues to recover from the pandemic. This is in addition to the £1.0 million approved by Cabinet in February 2022 as part of the 2022/23 Budget and Medium-Term Financial Plan Update to demonstrate the Council's ongoing commitment to support the Economy, Skills and Business Engagement across Worcestershire.
  - £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
  - A net increase of £3.6 million to the Financial Risk Reserve to bring the balance at 31 March 2022 to £11.8 million to ease the impact of funding uncertainty and financial pressures in future years.
  - £4.3 million increase to the Public Health Reserve, arising from 2021/22 underspend due to the use of other funds including COVID grants.
47. Appendix 7 provides a list of the Earmarked Reserves and Grant Reserves at 31 March 2022.
48. It is important to recognise that some of the Earmarked Reserves are already committed or held for specific risk purposes. The County Council has managed its financial resources closely and on a net basis has contained most financial pressures in year and avoided depleting reserves by a significant effect.

### **Annual Governance Statement**

49. The County Council is required, as part of its annual review of the effectiveness of its governance arrangements, to produce an Annual Governance Statement (AGS) for 2021/22. This will be signed by the Leader of the Council and the Chief Executive with final approval by the Audit and Governance Committee in September 2022. The AGS is part of the Statement of Accounts and included at Appendix 1b. Any significant revision needed between now and September 2022 will be included in a future Cabinet report.
50. The AGS is informed by senior officers who have lead roles in corporate governance. The evidence for the AGS comes from a variety of sources, including service plans, relevant lead officers with the Council, internal and external auditors and inspection agencies. The AGS highlights the Council governance arrangements during 2021/22 and identifies areas where it is recognised that governance arrangements could be further strengthened in 2022/23. It is also noted that the Internal Audit opinion remains moderate, and no significant issues have been raised in the Annual report.

51. The current draft AGS will be revised in the light of any observations of Cabinet, the Audit and Governance committee and external audit.
52. Cabinet is invited at this stage to consider the AGS and make any comments.

### Summary Capital Outturn 2021/22

53. Capital expenditure outturn for 2021/22 is set out in Table 6 below.

**Table 6: Capital Summary Outturn 2021/22**

	LATEST FORECAST 2021/22	YEAR-END OUTTURN 2021/22	VARIANCE 2021/22
TOTAL EXPENDITURE	£000	£000	£000
CHILDREN AND FAMILIES	30,125	11,885	-18,240
OPEN FOR BUSINESS	72,274	39,479	-32,795
THE ENVIRONMENT	77,378	55,725	-21,653
HEALTH & WELL-BEING	3,689	386	-3,303
EFFICIENCY & TRANSFORMATION	16,051	3,105	-12,946
<b>TOTAL</b>	<b>199,517</b>	<b>110,580</b>	<b>-88,937</b>

54. Progress has been made on a number of significant capital projects with £110.6 million spent in 2021/22 with a number of major schemes being progressed or finalised during the year.
55. The more significant schemes include congestion cutting as well as highways maintenance and resurfacing works across the whole County area. There were specific improvements around the A38 Bromsgrove, the new A38 roundabout at Upton-upon-Severn, Pershore northern access roads, phase 4 of Worcester Southern Link Road, Hoobrook roundabout in Kidderminster and Malvern Hills Technology Park.
56. Overall, the capital programme saw a slippage largely due to the legacy impacts of COVID, delays in planning approval timescales and delays in grant allocations however individual projects and their funding will be carried forward to 2022/23 for completion.
57. The capital programme expenditure will be financed in 2022/23 in the following ways: £57.9 million Government Grants and other contributions, £50.7 million long term borrowing, £1.5 million capital receipts, and £0.5 million from the capital reserve / revenue budget contributions.
58. Overall, it is concluded that the forecast expenditure for the Capital Programme is within the budget limit. An exercise will be undertaken to establish the carry forward impact of schemes to future years.
59. Appendix 8 details the Capital Programme outturn for 2021/22 and estimates for future years.

## **Legal Implications**

60. 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**

61. 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 January/February each year.
62. 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.
63. 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.
64. 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.
65. Looking forward to 2022/23 the use of any reserves would always need to be considered as part of the financial resilience so further grants and funding announcements are key. However, compared at this stage to 31 March 2021 the Council has managed to strengthen its financial standing and resilience despite a challenging year.

## **HR Implications**

66. A number of existing and new proposed savings may impact on staff roles and responsibilities and where appropriate senior officers take advice from the Council's Human Resources team.
67. This will include undertaking consultations with staff, trade unions and any other affected body as appropriate.

## **Equality Duty Considerations**

68. 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**

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

70. 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 mitigation through the regular budget monitoring process.

### **Privacy and Public Health Impact Assessment**

71. 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.
72. This report is mainly about confirming the forecast outturn financial position for the end of the financial year reflecting existing Cabinet decisions and policies and requesting approval for spending new specific grant monies with spending restrictions associate with these grants.
73. 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.
74. 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**

(All available electronically)

- **Appendix 1a** – Unaudited Annual Financial Report and Statement of Accounts 2021/22
- **Appendix 1b** – Draft Annual Governance Statement
- **Appendix 2** – Summary Financial Results 2021/22
- **Appendix 3** - Budget variances greater than £0.250 million
- **Appendix 4** - Capitalisation
- **Appendix 5** - Use of Grants/Reserves
- **Appendix 6** – Proposed Carry Forwards – Grants / Earmarked Reserves
- **Appendix 7** – Proposed Grants / Earmarked Reserves at 31/3/22
- **Appendix 8** – Capital Budget Financial Results 2021/22

## **Contact Points**

### Specific Contact Points for this Report

Michael Hudson, Chief Finance Officer, 01905 845560, [mhudson@worcestershire.gov.uk](mailto:mhudson@worcestershire.gov.uk)

Stephanie Simcox, Deputy Chief Finance Officer (Service Finance) / Head of Finance, 01905 846342 [ssimcox@worcestershire.gov.uk](mailto:ssimcox@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:

- 2021/22 Council Budget setting
- Previous Cabinet 2021/22 Resources Reports

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## **CABINET**

### **1 JULY 2022**

## **LOCAL GOVERNMENT OMBUDSMAN REPORT**

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### **Relevant Cabinet Member**

Councillor Adrian Hardman

### **Relevant Chief Officer**

Strategic Director for People

### **Recommendation**

- 1. The Cabinet Member with Responsibility for Adult Social Care recommends that Cabinet:**
  - a) considers and notes the recommendations of the Local Government and Social Care Ombudsman Report; and**
  - b) endorses the Action Plan in response to the Ombudsman's recommendations.**

### **Background**

2. The Directorate has been made aware of a report from the Local Government Ombudsman following a complaint that the County Council took too long to put in place a direct payment for an individual's care. The complainant said this caused her distress and meant she did not receive appropriate care.
3. The Ombudsman found fault causing injustice and made recommendations. The full report is attached at the Appendix.
4. Announcements were placed publicly on 08 June 2022 in accordance with statutory requirements.
5. The Council is also required to consider the report at an appropriately delegated Committee of the Council, in this case, Cabinet.
6. Within three months of receiving the Ombudsman's Report (or a longer period which must be agreed in writing with the Ombudsman) the action that the Council has taken, or proposes to take, must be communicated in writing to the Ombudsman.
7. The key areas of maladministration found by the Ombudsman were:
  - a) The Council took 5 months to complete a social care assessment and care and support plan which was not a reasonable or appropriate timeframe and was not in line with paragraph 6.24 of Care and Support Statutory Guidance;

b) The Council failed to take actions to put in place the direct payment in a timely fashion;

c) The Council's and Penderels' inaction in progressing the direct payment indicates there was no clear or swift process in place to respond to requests for direct payments. This was not in line with paragraph 12.10 of Care and Support Statutory Guidance and was fault;

d) There was no evidence of a refusal to co-operate on the part of Ms X.

8. The Local Government Ombudsman specific recommendations which have been accepted by the Strategic Director for People were as follows:

a) The Council needs to apologise to Ms X and pay her £3,000 to reflect the disruption, inconvenience and distress caused by not having care between January 2021 and January 2022. The Ombudsman has considered the LGO Guidance on Remedies which allows for exceptional payments where the loss of service has a high and continuing impact which applies in this case. b) The LGO are satisfied that since their involvement, the Council is now taking all appropriate action to start up the direct payment. The Council needs to provide the LGO with a further update on progress within four weeks of the date of the LGO report;

b) The Council's records show the delay by Penderels Trust was a known issue as there was a waiting list. This means others may also have been affected in a similar way. The LGO has recommended the Council identifies other cases on Penderels Trusts' waiting list from January 2021. Where there was a delay in putting in place a direct payment and remedies any injustice to those affected in line with the LGO Guidance on Remedies. It should do so within three months of the date of the Ombudsman's report and provide the LGO with a summary of the key facts in each case, the length of delay, the impact on the person and the financial remedy agreed. The Council has accepted this recommendation in principle but has advised the LGO there may be difficulties identifying cases. It has agreed to attempt to carry out this action.

c) Had the Council still been using Penderel's Trust to provide a direct payment support service, the LGO would have made recommendations to improve the service as the delay in this case was exceptionally poor. Fortunately, the Council has commissioned another organisation to provide direct payment support to clients in Worcestershire already.

9. Since publication of the LGO's report has been published, this Council has:

a) Commissioned a new provider to administer direct payments, Barrie Bookkeeping. Response times following referral average 2/3 days for new recipients of direct payments;

b) Sent an apology letter to Ms X together with a cheque to make the payment recommended by the LGO;

c) The 4-week update has been provided to the LGO;

- d) The Adult Social Care Commissioning Team have been in discussions with Penderels Trust to clarify if any other residents have been affected based on their records;
- e) The Business Intelligence team have generated a report to identify any other users which have been reviewed in line with LGO recommendation.

## **Overview and Scrutiny**

10. Adult Social Care continue to develop ways of improving the effectiveness of implementation of Direct payments and support available to residents who use them. A full programme of work has been undertaken and is being presented to Adult Care and Well Being Scrutiny Panel on 20 May 2022.

## **Legal, Financial and HR Implications**

11. In line with the Local Government Ombudsman specific recommendation, it has been agreed to pay Ms X £3,000 to reflect the disruption, inconvenience and distress caused by not having care between January 2021 and January 2022. This has been met from within the adult social care revenue budget.

## **Risk Implications**

12. There is a risk of further compensatory payments being required and having a call on the finite revenue budgets within Adult Social Care. However, mitigation is now in place as the new provider is contacting people within 2/3 days.

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

13. Not required at this time as consideration has been given during the procurement process of an alternative service to Penderels.

## **Supporting Information**

Appendix – Report of the Local Government Ombudsman reference 21 005 339 dated 27 April 2022.

## **Contact Points**

### Specific Contact Points for this report

Name, Job Title: Cezar Sarbu. Head of Service Area Social Work

Tel: 01905 846989

Email: [csarbu@worcestershire.gov.uk](mailto:csarbu@worcestershire.gov.uk)

## **Background Papers**

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

**Report by the Local Government and Social Care  
Ombudsman**

**Investigation into a complaint about  
Worcestershire County Council  
(reference number: 21 005 339)**

**27 April 2022**

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## The Ombudsman's role

For more than 40 years the Ombudsman has independently and impartially investigated complaints. We effectively resolve disputes about councils and other bodies in our jurisdiction by recommending redress which is proportionate, appropriate and reasonable based on all the facts of the complaint. Our service is free of charge.

Each case which comes to the Ombudsman is different and we take the individual needs and circumstances of the person complaining to us into account when we make recommendations to remedy injustice caused by fault.

We have no legal power to force councils to follow our recommendations, but they almost always do. Some of the things we might ask a council to do are:

- > apologise
- > pay a financial remedy
- > improve its procedures so similar problems don't happen again.

Section 30 of the 1974 Local Government Act says that a report should not normally name or identify any person. The people involved in this complaint are referred to by a letter or job role.

Key to names used

Ms X            The complainant

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## Report summary

### Adult social care

Ms X complained Worcestershire County Council (the Council) took too long to put in place a direct payment for her care. She said this caused her distress and meant she did not receive appropriate care.

### Finding

Fault found causing injustice and recommendations made.

### Recommendations

To remedy the injustice, we recommend the Council:

- apologises for the fault identified in this report and the impact on Ms X;
- pays her £3,000 to reflect the impact on her of the lack of care and support caused by its delay;
- updates us on its progress with putting in place the direct payment; and
- identifies other cases where there was a delay in putting in place a direct payment and remedies any injustice to those affected in line with our [Guidance on Remedies](#).

The Council must consider the report and confirm within three months the action it has taken or proposes to take. The Council should consider the report at its full Council, Cabinet or other appropriately delegated committee of elected members and we will require evidence of this. (*Local Government Act 1974, section 31(2), as amended*)

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## The complaint

1. Ms X complained Worcestershire County Council (the Council) took too long to put in place a direct payment for her care. She said this caused her distress and meant she did not receive appropriate care.

## Legal and administrative background

### The Ombudsman's role and powers

2. We investigate complaints about 'maladministration' and 'service failure'. In this report, we have used the word 'fault' to refer to these. We must also consider whether any fault has had an adverse impact on the person making the complaint. We refer to this as 'injustice'. If there has been fault which has caused an injustice, we may suggest a remedy. (*Local Government Act 1974, sections 26(1) and 26A(1), as amended*)
3. We investigate complaints about councils and certain other bodies. Where an individual, organisation or private company is providing services on behalf of a council, we can investigate complaints about the actions of these providers. (*Local Government Act 1974, section 25(7), as amended*)
4. This complaint involves Penderels Trust (Penderels). The Council commissioned Penderels to provide a support service to adults receiving a direct payment in Worcestershire. A different organisation took the service over recently. Penderels provided the service on behalf of the Council so we can investigate complaints about it.

### Relevant law and guidance

5. A council must carry out an assessment for any adult with an appearance of need for care and support, applying national criteria to decide if a person is eligible for care. (*Care Act 2014, section 9*)
6. In this report, we refer to an assessment of need as a 'social care assessment'.
7. An assessment should be carried out over an appropriate and reasonable timescale taking into account the urgency of needs. (*Care and Support Statutory Guidance 2014, Paragraph 6.24*)
8. The Care Act spells out the duty to meet eligible needs (needs which meet the eligibility criteria). (*Care Act 2014, section 18*)
9. If a council decides a person is eligible for care, it should prepare a care and support plan which specifies the needs identified in the assessment, says whether and to what extent the needs meet the eligibility criteria and specifies the needs the council is going to meet and how this will be done. The council should give a copy of the care and support plan to the person. (*Care Act 2014, sections 24 and 25*)
10. The care and support plan must set out a personal budget. A personal budget is a statement which specifies the cost to the local authority of meeting eligible needs, the amount a person must contribute and the amount the council must contribute. (*Care Act 2014, section 26*)

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11. A direct payment is money a council gives to an adult who asks to receive one to meet their eligible care and support needs. (*Care and Support Statutory Guidance, paragraph 12.1*)
  12. A council looking to provide a person with a direct payment must be satisfied:
    - the person has mental capacity to request a direct payment;
    - there is no prohibition on making a direct payment to the person;
    - the person is capable of managing a direct payment; and
    - a direct payment is an appropriate way of meeting the person's needs.
  13. Councils must have in place clear and swift processes to respond to requests for a direct payment. (*Care and Support Statutory Guidance, paragraph 12.10*)

## **How we considered this complaint**

14. We produced this report after examining relevant documents and speaking to Ms X.
15. We gave Ms X, the Council and Penderels a confidential draft of this report and asked for their comments. We took comments into account before finalising the report.

## **What happened**

16. Ms X had a stroke in August 2020 and went into hospital. Her solicitor contacted the Council and asked for a social care assessment and an advocate for her. A social worker spoke to Ms X the same month. Ms X said she did not want an advocate and agreed to a social care assessment by phone. At the end of the month, Ms X and a social worker spoke again. Ms X said she did not want any involvement from the Council and declined a social care assessment. The social worker closed the case.
17. Ms X contacted a social worker again in December. She agreed to have a social care assessment. The social worker noted in the case records that she started a social care assessment by phone and she and Ms X spoke about how Ms X was managing. Ms X said she had a private home worker for housework and shopping. They spoke about direct payments and a financial assessment among other things. The Council did not provide us with a copy of a social care assessment dated December 2020. So the social worker did not write up the assessment following her contact with Ms X.
18. In the last week of December, Ms X said she wanted a care package and that she had not been coping since her stroke in August.
19. Ms X complained to the Council in December about the issues in her complaint to us and about other issues. She said the social worker had not sent her any information about direct payments. The Council upheld this part of the complaint but said the information had since been sent to Ms X. Ms X did not pursue her complaint further at this time.
20. A social worker referred Ms X to Penderels at the start of January 2021 for support around recruiting personal assistants (PAs) and managing the direct payment. The social worker also referred Ms X to the Council's reablement team. (The reablement team provides short-term support, usually around six weeks, in a person's home to help them regain or relearn independent skills.)

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21. The reablement team assessed Ms X and agreed to provide two calls a day to support her with personal care, meals and medication. A reablement worker tried to discuss longer term care with Ms X who said she would not agree to a financial assessment or a care agency.
  22. After a few days, Ms X declined calls and told an occupational therapist (OT) she did not want the reablement service and wanted a direct payment to organise her own care. The OT's view was Ms X needed help with showering, medication and meals. After the OT's visit, Ms X spoke to the social worker and set out her concerns about reablement which included call times not being specific. The social worker told Ms X there was a waiting list for Penderels and she needed to complete and return the financial declaration form (a form to enable the Council to financially assess the care charge).
  23. The social worker and a worker from Penderels exchanged emails in February. The social worker said Ms X's indicative weekly personal budget was £150 and she wanted a 30-minute care visit at lunch and an hour visit at tea-time.
  24. The records show periodic contacts from Ms X saying she was frustrated it was taking so long to set up the direct payment.
  25. The case notes show Ms X had difficulty completing and returning the financial declaration form because of her disability. In the end, Ms X returned the form, completed and signed. She told us she sent it recorded delivery at the start of March, although the records show the Council did not receive it until the end of March. The finance team completed a financial assessment at the start of May. Ms X did not have to pay a charge.
  26. In the middle of May, a different social worker referred Ms X to Penderels again.
  27. A social worker completed a social care assessment in May. The assessment described Ms X's eligible care needs. Ms X's care and support plan was started in May and finished in August 2021. It noted she wanted a direct payment and a managed account. The plan set out Ms X's eligible needs and the support she needed to achieve her goals. Ms X told us the care and support plan was incorrect on several occasions.
  28. A new social worker was allocated at the end of May. The social worker sent out a direct payment agreement for Ms X to sign. Penderels emailed the social worker asking for her to confirm hours and costings for the direct payment.
  29. The social worker emailed Penderels in the middle of June to say the Council had agreed a personal budget of £126 or 14 hours a week of care and support and Ms X wanted a managed account (this is where Penderels manages the payment for Ms X).
  30. Ms X and the social worker spoke at the end of June. Ms X said Penderels had sent her paperwork which she could not complete because of her disability. The social worker completed the papers for Ms X and sent them back to Penderels.
  31. The social worker noted in Ms X's care and support plan that Ms X needed care and support urgently. In July, the social worker found a care agency that could provide Ms X's care, Ms X declined as she did not want an agency. She told the social worker she was angry about the continuing delay.
  32. Ms X complained to us in July about the delay in setting up her direct payment.
  33. Ms X had another period of ill health in August and she was in hospital for a few days. She had support from the reablement team, but this broke down again

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quickly and she cancelled their service. The case records include some internal emails between the reablement team and social care team about which team would be responsible for reviewing Ms X's care needs.

34. At the time of issuing the draft version of this report in January 2022, Ms X did not have a direct payment in place. Her request to the Council for care and support was over a year earlier in December 2020. Since receiving our draft report, the Council updated us on the actions it has taken to put in place Ms X's direct payment. It told us:

- it sent Ms X an amended care and support plan, noting not all the amendments she would like would be possible because they referred to dates produced by its database;
- it sent her a direct payment agreement for her to sign which she is yet to return (Ms X told me this has now been done); and
- the new direct payment support service was supporting Ms X and an advert has been placed to recruit her a PA.

#### **Comments from the Council**

35. The Council acknowledged there had been a delay in setting up Ms X's direct payment and said this was for various reasons.

- A lack of engagement by Ms X in assessment and support planning and difficulty contacting her.
- Her refusal to sign the financial form had a knock on-effect. It meant the Council could not complete the process because it couldn't complete a financial assessment which was needed to determine her personal budget (see paragraph 10).
- Her changing decisions.
- Further life events (hospital admission).

#### **Comments from Penderels**

36. Penderels told us there was no upper limit on new referrals and current cases so at times there was a waiting list. It also told us that the Council was aware of this and it would work with council officers to ensure urgent cases had priority. Penderels said it was unfair to attribute any fault to it and the delays were caused by the Council delaying in providing information about Ms X's budget or because Ms X did not return calls.

#### **Conclusions**

37. The Council took from December 2020 to May 2021 to complete a social care assessment and care and support plan. Taking five months was fault, was not a reasonable or appropriate timeframe and was not in line with paragraph 6.24 of Care and Support Statutory Guidance.

38. There was further fault by the Council. It has a legal duty to meet Ms X's eligible unmet needs under section 18 of the Care Act 2014 and she has a right to a direct payment which the Council can only refuse if it is satisfied she does not meet one or more of the conditions described in paragraph 12. The Council did not suggest Ms X failed to meet any of the conditions. So our view is it should have taken the actions required to put in place the direct payment. It failed to do so in a timely fashion.

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39. There is no evidence to support the Council's assertion Ms X changed her mind about a direct payment. The records indicate she was consistent in her request since December 2020. While we might expect the process of assessing needs, completing a care and support plan and setting up a direct payment to take a few weeks, the process should have been finalised by the end of January 2021 at the latest. The Council offered Ms X agency care in July 2021 as a temporary alternative to a direct payment, which was an appropriate action to take although seven months late. Ms X's response was to refuse agency care. She was entitled to do this because she wanted a direct payment. The Council's and Penderels' inaction in progressing the direct payment indicates there was no clear or swift process in place to respond to requests for direct payments. This was not in line with paragraph 12.10 of Care and Support Statutory Guidance and was fault.
40. There is no evidence to suggest there were any significant difficulties contacting Ms X or that she did not co-operate, other than on one occasion when she told the reablement team that she would not have a financial assessment. The records show Ms X had problems completing papers, but staff accepted this was because of her disability and helped her with the financial declaration form and with the papers Penderels sent. There is no evidence of a continued refusal to co-operate.

## Recommendations

41. The Council must consider the report and confirm within three months the action it has taken or proposes to take. The Council should consider the report at its full Council, Cabinet or other appropriately delegated committee of elected members and we will require evidence of this. (*Local Government Act 1974, section 31(2), as amended*)
42. When a council commissions another organisation to provide services on its behalf it remains responsible for those services and for the actions of the organisation providing them. So, although we found fault with Penderels, we have made recommendations to the Council.
43. The Council needs to apologise to Ms X and pay her £3,000 to reflect the disruption, inconvenience and distress caused by not having care between January 2021 and January 2022. We have taken into account our [Guidance on Remedies](#) which allows for exceptional payments where the loss of service has a high and continuing impact which applies in this case. The Council has not yet accepted this recommendation for the reasons given above.
44. We are satisfied that since our involvement, the Council is now taking all appropriate action to start up the direct payment. The Council needs to provide us with a further update on progress within four weeks of the date of this report.
45. The Council's records show the delay by Penderels was a known issue as there was a waiting list. This means others may also have been affected in a similar way. We recommend the Council identifies other cases on Penderels' waiting list from January 2021 where there was a delay in putting in place a direct payment and remedies any injustice to those affected in line with our [Guidance on Remedies](#). It should do so within three months of the date of this report and provide us with a summary of the key facts in each case, the length of delay, the impact on the person and the financial remedy agreed. The Council has accepted this recommendation in principle, but it says there may be difficulties identifying cases. It has agreed to try.

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46. Had the Council still been using Penderels to provide a direct payment support service, we would have made recommendations to improve the service as the delay in this case was exceptionally poor. Fortunately, the Council has commissioned another organisation to provide direct payment support to clients in Worcestershire.

### **Final decision**

47. There was fault by the Council in setting up Ms X's direct payment. This meant Ms X did not have care to meet her assessed needs. The Council needs to apologise, make Ms X a payment and take action described in this report.

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**CABINET**  
**1 JULY 2022****HOUSEHOLD SUPPORT FUND**

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**Relevant Cabinet Member**

Councillor Marcus Hart

**Relevant Chief Officer**

Strategic Director of People

**Recommendation****1. The Cabinet Member with Responsibility for Communities recommends that Cabinet:**

- a) **Endorses the approach to the use of the Household Support Fund in 2022/23 as outlined in paragraph 18 of the report; and**
- b) **Delegates the implementation of the delivery of the Household Support Fund, including the allocation of any extension to the grant within the terms applicable to it, to the Strategic Director of People in consultation with the Cabinet Member with Responsibility for Communities and in liaison with the Chief Finance Officer.**

**Background**

2. Government have released funding to support residents in Worcestershire since 2020, initially through the Winter Grant and Local Support Grant, and subsequently through the Household Support Fund.
3. For the period November 2021 to March 2022, Worcestershire was awarded £3.95million of funding from the Household Support Fund to provide support for residents in need of help with food, fuel and other essential household costs.
4. In the Spring Statement 2022, the Chancellor confirmed that the Household Support Fund would be extended, and this equates to a further £3.95 million for Worcestershire to use to support residents between 1 April and 30 September 2022.
5. On 26 May 2022, the Chancellor announced that the Household Support Fund would be extended again for a further six months. The details of this extension have not been confirmed to date.
6. This paper summarises how the previous funding allocations were used and sets out a proposed use of the additional funds between now and the end of September that will

ensure this is targeted to residents in need of support and in line with the Government guidance.

## **Previous funding allocations**

### **December 2020 – September 2021**

7. Funding received during this period totalled £4.056 million via the Winter Grant and Local Support Grant. These grants could be utilised from 1st December onwards, in line with the Government directive to ensure children and families get extra support during the winter period and ensuring vulnerable households do not go hungry or without essential items.

8. Government specified parameters for use of these funds:

- 80% of the fund was for families with children, the remaining 20% could be provided for residents experiencing, or at risk of, poverty.
- 80% was for use on food, energy and/or water bill.
- 20% could be used on other essential expenditure for households, for example on essential toiletries, boiler repair costs, purchase or maintenance of fridges/freezers, etc.
- The fund could not be used to cover rent or housing costs and could also not be used for the provision of debt or financial advice.

9. The Winter Grant and Local Support fund provided over 76,000 interventions of support to residents across the county. This included around £3.5m spent directly on households with children. The support included; holiday food vouchers issued through schools, white goods, boiler repairs, clothes, toiletries, foodbank support and other household essentials. Multiple interventions were available for households to access.

### **October 2021 to March 2022**

10. A further £3.95m of government funding was allocated via the Household Support Fund to Worcestershire for the period 1 October 2021 to 31 March 2022. This fund was provided to support households in the most need with energy costs, food and water bills, as well as covering other essential household costs and housing costs in exceptional circumstances.

11. Government guidance regarding use of this fund was similar to that for the Winter Grant and Local Support Grant, with a few key differences:

- a) A minimum of 50% of the fund was for families with children, 50% was for residents experiencing, or at risk of, poverty.
- b) The Household Support Fund could be used to cover a broader range of household essentials, including phone bills, transport related costs and broadband charges.
- c) In exceptional circumstances this fund could be used to pay for housing costs, for example to cover rent payments, where existing housing support schemes do not meet this need.

12. Throughout this period, the funding provided over 82,000 interventions to households, with over £2.7m spent directly on households with children. This support included an extension of the food vouchers for school holidays and a countywide

scheme through Act on Energy to support people with fuel vouchers and top up payments, debt, heating repairs and replacements. In addition, funding was allocated to district councils to provide local support routes via a range of direct support including council welfare assistance schemes or with local voluntary sector partners to deliver schemes including Citizens Advice, and local foodbanks for example. All those organisations in receipt of household support fund, including District councils, have to spend resource in line with the grant conditions and contribute towards the expected monitoring. Multiple interventions were available per household and funding was allocated against the grant criteria and the percentage of direct spend is outlined below:

- Food - 39%
- Energy and Water - 37%
- Essentials linked to energy and water - 4%
- Wider essentials – 16%
- Non- statutory housing costs – 4%

### **Household Support Fund April – September 2022**

13. In the Spring Statement 2022, the Chancellor confirmed that the Household Support Fund would be extended, and this equates to a further £3.95m for Worcestershire to use to support residents between 1 April and 30 September 2022. An announcement to further extend the scheme was made on 26 May by the Chancellor, no details of this are available to date.

14. The new fund from April 2022 is intended to provide support to vulnerable households in most need of support to help with significantly rising living costs. Whilst the general purpose of the fund is the same as that provided previously, there are changes to the ring-fenced requirements on how this is allocated within each Local Authority area.

15. For the new fund, at least one-third will be allocated to support families with children under 19, at least one-third will be allocated to pensioners (those aged 66 or above by the 30 September) and up to one-third will be allocated to other vulnerable households in need of support. In practice this means there is a reduction in funding available to focus entirely on families with children.

16. Within the parameters set out in 15, the Household Support Fund can be used to cover:

- a) Energy bills relating to heating, cooking or lighting; and water bills.
- b) Support with food costs either through vouchers or cash.
- c) Other household essentials – this may include those linked to energy and water, for example sanitary products, boiler repair or servicing, warm clothing, purchase of fridge/freezers; or for wider essentials, for example broadband costs, phone costs, clothing, transport-related costs such as car repairs.
- d) Housing costs can be covered in exceptional circumstances and where existing housing schemes do not meet this exceptional need. For example, the fund cannot be used to provide mortgage support but can be used to cover historic rent arrears that have been built up prior to receipt of other benefits.
- e) The fund can also be used to cover reasonable administration costs (10% maximum allocation), including staff costs, web page design, IT system costs and promotional activity and content to raise the profile of the scheme.

- f) The fund cannot be used to cover mortgage costs and cannot be used to provide debt and financial advice services.

### Proposed allocation of the Household Support Fund April to September 2022

17. The table below sets out the proposed allocation of the £3.95m that Worcestershire will receive from the new Household Support Fund.

18. These proposals are in line with government guidance and are modelled around local understanding of need across different categories, informed by local intelligence and previous delivery of the funds detailed in paragraphs 10 – 12 of this report. Funding will only be used for schemes that are free to residents.

Table 1: Proposed Allocation of Household Support Fund April – September 2022

<b>Total Grant</b>	<b>£3,949,139</b>		To be delivered by 30 September 2022
<b>Target Group</b>	<b>Allocation</b>	<b>% of fund</b>	<b>Delivery Mechanism</b>
Children and Young people receiving Free School Meals in holidays - 15,000 recipients	£1,000,000	25%	Digital food voucher for 5 weeks of school holidays during the programme period issued by schools to eligible families. (Easter x 2 weeks, summer half term, plus first two weeks of summer holidays)
Pensioners	£1,050,000	27%	Pension Credit recipients issued cashable vouchers distributed via Post Office and a parallel scheme for other pensioners on low incomes via Worcestershire Advice Network – delivered by Age UK Worcester and Malvern
Act on Energy	£1,000,000	25%	Act on Energy countywide scheme continuation – support split between three focus areas outlined in paragraph 12
District allocation	£899,139	23%	District councils to distribute in line with guidance. In house and voluntary sector delivery partners
<b>Total Commitment</b>	<b>£3,949,139</b>		

<b>District Council Allocation (using a council tax hardship formula)</b>	<b>Amount</b>
Bromsgrove	£100,344
Malvern Hills	£89,105
Redditch	£146,200
Worcester	£189,089
Wychavon	£167,060
Wyre Forest	£207,342
<b>Total</b>	<b>£899,139</b>

19. District councils will be delivering local support through either direct in-house schemes or through various voluntary and community sector organisations in order to reach residents in need.

20. Residents may be eligible for support across multiple categories listed in the table above. Residents may also be eligible to receive support on multiple occasions during the period.

21. The government has recently announced additional measures also to support the increased costs of living. This includes; Energy Bills Support Scheme increase, one off payment for those on means tested benefit, one off pensioner cost of living payment, disability cost of living payment. There is also the previously published Holiday Activities and Food (HAF) programme locally delivered as 'Ready Steady Worcestershire' supporting eligible families and the Council Tax rebate scheme.

22. The Here2Help team in the council has and will continue to work with the Household Support Fund delivery partners to signpost people to the right support at the right time, keeping up to date with the local and the countywide schemes.

23. There are very close operational links with Worcestershire Children First to ensure the up to date information is available those that are working with children and their families and the key partner organisations.

## **Summary**

24. Worcestershire County Council is committed to ensuring that vulnerable residents who are most in need receive support through a balanced programme of activity.

25. The proposals detailed in this report aim to ensure that the new allocation of the Household Support Fund is utilised in a targeted and effective manner between now and the end of September initially, to reduce the impact of the increased cost of living crisis, poverty and financial hardship for Worcestershire residents.

## **Legal, Financial and HR Implications**

26. The Secretary of State determines the authorities to which grant is to be paid and the amount of grant to be paid.

27. The Household Support Fund Grant indicative funding allocation for Worcestershire County Council for the period 1 April to 30 September 2022 is £3,949,139.19. Pursuant

to section 31(3) and 31(4) of the Local Government Act 2003, the Secretary of State determines that the grant will be paid in respect of this period.

28. The grant is paid to the Authority to support eligible expenditure only, in line with guidance from the Department for Work and Pensions; and on the basis overall that the provision of grant funding remains subject to the Secretary of State's ongoing satisfaction that all grant usage by the Authority complies fully with the relevant conditions.

29. Funding is paid in arrears and following completion of a data return to the Department for Work and Pensions. The amount of grant funding Worcestershire receives from the allocation listed in 17 will be in line with the evidence provided in the data return. This approach is in line with previous grants and Here2Help, Business Intelligence and Finance teams will work together to complete the required returns.

30. County Councils and Unitary Authorities have a statutory duty regarding children and are generally responsible for Local Welfare Assistance. The Department for Work and Pensions is providing funding to County Councils and Unitary Authorities (including Metropolitan Councils and London Boroughs), under section 31 of the Local Government Act 2003, to administer the scheme and provide assistance to households most in need.

31. Local Authorities have discretion on exactly how this funding is used within the scope set out in guidance documentation provided by the Department for Work and Pensions. The expectation is that it should primarily be used to support households in the most need particularly those including children and pensioners who would otherwise struggle with energy bills, food, water bills, other essential household costs and housing costs in exceptional circumstances.

## **Risk Implications**

32. All previous schemes have been delivered successfully and within the timeframe therefore there is a low level of risk.

33. There is a risk in relation to a change in criteria to include a ringfenced pensioner allocation as this may be challenging to deliver based on experience to date of engaging with those residents. The approach outlined in table 1 above is expected to have a high rate of success in reaching the target audience and mitigate that risk.

34. Activity data for the countywide schemes will be monitored monthly to ensure early identification of trends and mitigation measures to address any issues in relation to delivery.

35. There is a reputational risk to the council if the scheme fails to deliver against the national criteria and the full funding allocation is unable to be claimed back from government. The mixed approach highlighted in table 1 ensures that there will be a wide reach to the scheme, engaging multiple partners to enable those in need to access support and the scheme can be successfully delivered.

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

36. Full Equality and Public Health, Data Protection and Sustainability Impact Assessments have been carried out in respect of the recommendations. This did not identify any potential negative impact for any of the Protected Groups. The potential negative impact relates to a potential increase in Greenhouse Gas emissions as a result of the financial support given to eligible residents to contribute towards heating their home. Notwithstanding the potential negative impact, the recommended course of action can be justified because this is a scheme to help vulnerable families in fuel poverty who are not able to heat their homes to a minimum standard for health and wellbeing.

37. The following mitigating action has been identified:

- Where possible, residents receiving support or third-party organisations providing white goods will be encouraged to purchase the most energy efficient models.
- Act on Energy will signpost residents receiving support through the Household Support Fund or those not eligible to Household Support Fund to other suitable energy efficiency schemes
- Physical intervention support through Act on Energy for new heating systems will consider the most energy efficient solution for the property.

38. Relevant findings will contribute to future planning for any extensions to the Household Support Fund.

### **Supporting Information**

(Available electronically)

Appendix 1 – Joint Impact Assessment

Appendix 2 – Data Protection Impact Assessment (Pensioner Support)

Appendix 3 – Environmental Sustainability Impact Assessment (Pensioner Support)

Appendix 4 – Equality and Public Health Impact Assessment (Pensioner Support)

### **Contact Points**

Specific Contact Points for this report

Hannah Perrott, Assistant Director Communities

Tel: 01905843658

Email: [HPerrott@worcestershire.gov.uk](mailto:HPerrott@worcestershire.gov.uk)

### **Background Papers**

None

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