

COUNCIL
14 JULY 2016**REPORTS OF CABINET****(b) SUMMARY OF DECISIONS TAKEN**

Scrutiny Report: Increasing Physical Activity

1. In February 2015, the Overview and Scrutiny Performance Board (OSPB) discussed the Worcestershire Public Health Annual Report 2014. A main theme of the annual report was how to increase opportunities for participation in physical activity. The County Council was keen to ensure that opportunities to access sport and physical activity were available to all, and scrutiny members were also interested to find out what impact the 2012 Olympics had had on participation rates. The OSPB therefore added Increasing Physical Activity to its scrutiny work programme.

2. The Cabinet has now considered a Scrutiny Report on Increasing Physical Activity and has agreed to receive the report together with the response to the findings and recommendation from the Leader of the Council and the Cabinet Members with Responsibility for Health and Well-Being, Transformation and Commissioning and Highways. The Cabinet has agreed to adopt the response of the Cabinet Members as the way forward.

The provision of effective Prevention Services for Children and Young People including optimising the use of Children's Centre buildings

3. Further to the report to Council in January 2016, a procurement process for the integrated 0-19 prevention service has been carried out. An invitation to tender was published in March 2016 and no compliant bids were received. The Cabinet has therefore approved a future plan for delivering effective integrated prevention services within the available budget envelope, as soon as possible, and to vary, extend, align or integrate existing contracts of the Early Help providers and the public health nursing services by 1 October 2016 up to 31 March 2019. This will allow a two year period to work with existing providers towards integration to allow a procurement exercise to commence in time for a new service to be in place from 1 April 2019.

4. The Council has been considering how to optimise the use of its children centre buildings to deliver services. As a result the Cabinet has been presented with proposals to significantly change the current use of some children's centres within the county. Formal consultation on such change of use is needed and therefore the Cabinet has authorised consultation on change of use of those children's centre buildings where there is likely to be significant change from how the centre is currently used and approved proposals for the future use of children centre buildings where consultation is not required. The Cabinet has noted a summary the of impact of the proposals for the future use of children's centre buildings and the need for further equality impact analyses to inform the final decisions in respect of the proposed changes.

5. The Cabinet has delegated the final decision for the use of children's centre buildings, where consultation is required, to the Cabinet Member with Responsibility for Children and Families, having regard to the outcomes of those consultations and equality impact analyses. Additionally, it has authorised the Director of Children, Families and Communities and the Interim Director of Public Health to take all necessary steps within their respective responsibilities to give effect to the Cabinet's decision including varying and/or extending the existing contracts of the district-based early help providers and public health nursing functions, and authorised the Director of Commercial and Change to agree appropriate terms for the future use of children's centre buildings.

6. The decision was subsequently called in and the Overview and Scrutiny Performance Panel (OSPB) met on 1 July. The OSPB agreed to accept the decisions taken by Cabinet and clear implementation on 1 July, they did however agree to forward the following comments to Cabinet:

- that the final decision on the use of children's centres buildings, where consultation is required, is made at full Cabinet and not by Cabinet Member delegation. The OSPB believed that this would provide greater transparency of the decision in the public's eye, provide a further opportunity for public participation at a Cabinet meeting on the matter and to ensure all Cabinet Members fully understand the implications of the decision being taken,
- that the Children and Families O&S Panel should undertake further pre-decision scrutiny prior to the conclusion of the consultation and report back to the OSPB on this, the OSPB can then provide Cabinet with feedback before they take the final decision, and
- the Board welcomed the Cabinet Member's offer to hold meetings with local members on Children's Centre sites, in order to discuss local options.

Resources Report

Provisional Financial Results for the year ending 31 March 2016

7. In overall terms resource spending by Directorates was within the delegated cash limits coming in on budget whilst making identified savings. There have been significant areas of cost pressure which have been managed, the most significant relates to a £5.7m pressure in Children's Social Care Placements. The FutureFit savings target of £27.5m has been delivered.

FutureFit Programme Update

8. Since 2011/12 the Council has delivered savings of around £120m. There are existing plans (subject to detailed consultation where appropriate) to deliver nearly £50m of savings, with £24.8m savings in 2016/17, £13.4m in 2017/18 and a further £9.5m over 2018/19 and 2019/20. Around half of these planned savings are currently assessed to have some risk around their delivery and are subject to robust project management and support to ensure they remain on target for delivery. Based on the Medium Term Financial Plan (MTFP) there still remains a need to establish further savings to balance the budget of £57m over the period to 2019/20.

Capital Investment

9. The Council spent £141.7m on Capital Expenditure in 2015/16 which included £20.9m spent on school projects, £55.3m on local transport infrastructure, £54.5m Energy from Waste Loan Facility and £11m on other Council services. The major sources of capital financing were external borrowing £76m, capital grants and contributions £55.8m, capital receipts £3.7m and direct revenue contributions £6.2m.

Pension Fund Update

10. For 2015/16 the Worcestershire County Council Pension Fund had an operating surplus of £38.6m compared to a deficit of £11.2m for 2014/15. The deficit had been due to a £52.3m group transfer out of the Probation Service to the Greater Manchester Pension Fund. The net assets of the County Council Pension Fund have decreased by £36.1m to £1.951billion at the end of 2015/16. The Pension Fund's Actuary has calculated that the Council's liabilities exceed its share of the assets by £380m at 31 March 2016.

Proposed Earmarked Reserves, New Investments and General Balances

11. An overall reduction in reserves in 2015/16 reflected planning assumptions to support increases and changes in demand for services ahead of revenue streams coming online in 2016/17 or in support of transformation projects to deliver better outcomes and value for money within the future resources available to the Council. A number of additions to specific earmarked reserves have been made in light of known future commitments and risks. General balances at the end of the 2015/16 financial year remain unchanged at £13m, which is consistent with the MTFP.

Public Health Ring-Fenced Grant (PHRFG)

12. The Council has now received final allocation of PHRFG of £30.7m for 2016/17 and an indicative allocation for 2017/18 of £29.9m. The reductions in allocations have not been as significant as initially expected, predicated on announcements for other areas of central Government spend. This has enabled a review of those services which were recommended to be maintained and has resulted in the proposal that funding continues in Child Development Services and Primary Care Mental Health not just for 2016/17 but also for 2017/18.

Borrowing and Lending Transactions 2015/16

13. In accordance with Financial Regulations and the County Council's Treasury Management Policy Statement, the Chief Financial Officer has reported to Cabinet on the annual activities of the Treasury Management operation. The Cabinet has noted his report.

Mr S E Geraghty
Chairman

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Background Papers

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) the following are the background papers relating to the subject matter of this report:

Agenda and background papers for the meetings of the Cabinet held on 19 May 2016 and 16 June 2016