

3 July 2014

5. REPORTS OF CABINET

(b) SUMMARY OF DECISIONS TAKEN

Consultation on Public Transport Reductions

1. As public transport had not been identified by the public as a top three priority area, the Council reviewed its role in supporting such transport provision with a view to deliver the required saving of £1.6m by implementing proposed changes to public transport services in September 2014. Of the 15 million bus passenger journeys undertaken each year, 3 million of those were services subsidised by the Council.
2. The Council supported the provision of a passenger transport network across Worcestershire, both in fulfilment of statutory functions (Transport Act 1985, the duty to arrange home to school transport for eligible students and the Public Sector Equity Duty) and to facilitate access to facilities and services whilst taking into consideration the funds the Council had available.
3. Following a comprehensive consultation exercise, which generated over 8,500 responses, a comprehensive evaluation took place on a service-by-service basis; the responses to the consultation exercise, having regard to the Council's statutory duties and to any outcome from the Equality Impact Assessment (EIA); reviewing existing data on passenger journeys made on the current subsidised network; and, where appropriate a review of fares. Opportunities continued to be explored to provide local public transport services with commercial and community-based organisations which had led to a number of previously subsidised services being operated on a commercial basis.
4. Appendix 1 to the report outlined the proposed subsidised network. The services to school would continue, albeit with some changes to routes and fares; services operating in rural areas and provided access to essential shopping were in the main being kept with some changes; and access to health destinations would continue to be served by a mixture of commercial and subsidised services. Some moderate fare increases would take place, though holders of Concessionary Travel Passes would not be affected. Community Transport Schemes would be able to provide some service for those affected by changes and the Council would continue to use available funding to support

further development of Community Transport

Scrutiny Report: Commissioning

5. The Cabinet has considered carefully the need to comply with the Equality Duty and took full account of the Equality Impact Assessment and ensured, where possible, any adverse effects were mitigated. Additionally the Cabinet took account of the comments of the Economy, Environment and Communities Overview and Scrutiny Panel. The Cabinet has endorsed the proposals and agreed for the Director of Business, Environment and Communities, in consultation with the Cabinet Member with Responsibility for Highways to implement the proposals.

6. The decision was called-in. OSPB accepted the Cabinet's decision but asked that the Cabinet Member with Responsibility further considers how the Worcester Park and Ride could be replaced or retained.

7. The Cabinet has considered the scrutiny report on commissioning following an examination of the topic by a task and finish group which considered the nature of the commissioning process; the role of the local member in commissioning; the skills set of staff undertaking commissioning, and whether commissioning was always the right approach.

8. The scrutiny was positive about staff knowledge and understanding of the services, but highlighted concerns about the transparency of the process and the role Councillors played in it. The report was endorsed by OSPB.

9. The Cabinet has welcomed the Scrutiny Report's recommendations and adopted the response of the Cabinet Member with Responsibility for Transformation and Commissioning as the way forward. This includes a recognition that member involvement with commissioning needs to be developed, though this would need to be within the context of the new operating model and reduced operational base.

Scrutiny Report: Commissioning

10. The Cabinet considered the scrutiny report on apprenticeships following an examination of the topic by a task group which considered the length, quality and outcomes of apprenticeships in the county; and whether the large increase in the number of opportunities available were reflected in their quality.

11. The scrutiny found that the number of apprenticeships in the county had risen by 110% over the last 2 years, though 2/3 of opportunities were at the lower level of attainment. The report expressed concern about the quality of impartial advice and guidance provided in schools on vocational options and stated a need to rebalance aspirations away from academic study towards

Update on Health and Adult Care Integration and the Future Lives Programme

apprenticeships. The report was endorsed by OSPB.

12. The Cabinet has received the report and accepted the response of the Cabinet Member with Responsibility for Economy, Skills and Infrastructure as the way forward.

13. Worcestershire had been awarded pioneer status by the Department of Health in recognition of its progress, ambition and potential in integrating health and adult social care. A 5-year strategy to integrate and improve adult social care was under-development, led by the Clinical Commissioning Groups (CCGs). The Well Connected programme co-ordinated a range of programmes to deliver the strategy and was overseen by the Health and Well-being Board.

14. The Better Care Fund, whilst not new money, facilitated integration of health and adult social care by transferring a minimum level of funding from the NHS into pooled arrangements with local authorities (with CCGs and local authorities having the option to add to this sum). For 2014/15 the BCF totalled £10.5m; for 2015/16 the minimum value totalled £37.2m. The Health and Well-being Board approved the 2014/15 expenditure, and approved the 2015/16 outline expenditure and associated performance measures.

15. The savings required in Adult Services and Health between 2014-17 would reduce net expenditure on adult social care by £13m and maintain the budget for adult social care at around 42% of the corporate total. Further savings may be required to be made whilst continuing to meet the assessed needs of those people eligible for adult social care, with less money, and therefore services will have to be commissioned differently and more efficient processes developed.

16. The Care Act 2014 will require reform of all aspects of adult social care and the Future Lives programme has completed a review of the Act to plan for its implementation. The Council's MTFP does not yet take account of any additional costs of Care Act implementation.

17. Future Lives now included 3 projects; recovery; keeping well and new models of care. Details relating to the specific work streams for each project was detailed in the Cabinet report. Services users and carers would be involved in discussions about individual projects, whenever possible, to positively influence service design, and full consultation would be done on key decisions. Where involvement or consultation was limited existing forums and boards would be used to communicate options and directions.

18. A new Worcestershire Safeguarding Adults Board had

The Commissioning of Construction-Related Design Services

been established and adult protection policies and procedures would be revised to ensure consistency with the requirements of the Care Act.

19. The Cabinet has formally approved the Future Lives programme and noted its progress to date. The Cabinet also endorsed the principle of further integration of health and adult social care, noted the 5-year plan and requested that the Health and Well-being Board agree its final version. In addition the Cabinet has endorsed the need for further work to be undertaken to create a genuinely pooled budget for health and social care and to explore how providers (including adult social care), could co-operate further. It was agreed that the recommendations for the Council's in-house adult social care services be considered by the Cabinet when it meets on 17 July 2014.

20. In February 2014, the Cabinet endorsed the decision to offer the Property Design Unit as a single package to market. The procurement has progressed through formal OJEU advertisement and three compliant tenders were received. The contract with the new provider would offer exclusive provision of all the construction-related professional design services in connection with the Council's capital building programme, together with certain technical survey work and professional advice. The arrangement was for an initial 5 years with a potential further 2 years, subject to performance.

21. Evaluation of the tenders was undertaken on a quality/price split of 80%/20%. There were no revenue savings associated with the initiative but it would remove potential liability for redundancy costs necessitated by predicted reductions in the capital spending and demand for the service. Any future risk would be passed to the provider.

22. The preferred bidder, having scored consistently high across the evaluation criteria, was identified as Jacobs UK Ltd - a global scale supplier of specialist engineering and construction design services with a turnover, in 2013 of \$12bn. Its UK arm was experienced and provided professional construction-related services to both central and local government; additionally it had absorbed more than 2,300 TUPE transferred public sector services staff over the last 20 years.

23. The Cabinet has approved the commissioning of the Construction-Related Professional Design Service through a private sector service provider and has approved the selection of Jacobs UK as the preferred bidder. The Cabinet has authorised the Director of Resources to work with Jacobs UK to negotiate and prepare the final details of the contract; and, subject to consultation with the Cabinet Member with Responsibility for Commissioning and

Proposal to Merge Evesham High School and Simon de Montfort Middle School into a Single School

Resources Report

Transformation, delegated authority to the Director of Resources to approve the final contract and subsequent appointment of the new provider for the Council. The Cabinet has authorised the Director of Resources to take all necessary steps to put into effect these decisions.

24. Evesham High School and Simon de Montfort Middle School had been in a formal federation since 2010 operating with one governing body, one leadership team and single strategic/financial management. The schools had separate DfE numbers meaning the need for two separate audit trails, accounting processes and Ofsted processes.

25. The Council gave permission for a consultation process to start to legally merge the two existing schools into a single school with a single DfE number and this was held between 28 February and 11 April 2014. An analysis of responses was attached as an Appendix to the Cabinet Report and based on the positive responses to the consultation, with no major objections, the governors wished to proceed with the proposal.

26. The Cabinet has noted the results of the consultation held and agreed that Public Notices be issued proposing the closure of Simon de Montfort Middle School on 31 August 2014 and the expansion of Evesham High School by three year groups on 1 September 2014, thereby revising the school age range of Evesham High School to a school providing for children aged 10 - 19 (years 6 - 10). The Director of Children's Services was authorised to approve the proposals if no objections to the Public Notices were received; or if objections were received, the Cabinet Member with Responsibility for Children and Families was authorised to decide the proposals.

27. In order for the parents to be given sufficient notification of the proposals in order that the change could be achieved by September 2014, the Chairman of the Overview and Scrutiny Performance Board agreed to allow the decision to be urgently implemented to allow the Public Notice to be published and a decision to be made before the end of the school term.

Provisional Financial Results for the year ending 31 March 2014

28. The Council had delivered a FutureFit savings target of £19.5m whilst managing additional cost pressures at a time when Council Tax was frozen. The level of general balances could be maintained at £13m. The Council needed to achieve over £70m in savings between 2014 - 2018; £35m had been identified to date. A large amount of the projected savings would fall under the Future Lives programme. The Council had spent £59.9m on capital expenditure in 2013/14. The major sources of financing

capital spending were from external borrowing £11m, capital grants and contributions £40.6m, capital receipts £1.6m, and direct revenue contributions £6.7m. The operating surplus on the Pension Fund for 2013/14 was £40.2m and its net assets were £1.796bn. The statutory accounts for both the Council and Pension Fund would be presented to the Audit and Governance Committee on 27 June 2014.

Proposed Earmarked Reserves, New Investments and General Balances

29. The Cabinet was advised of the reallocated earmarked reserves and notional allocation in 2014/15 to fund FutureFit Programme/Transformation costs and Malvern Hills Science Park Share Purchase.

FutureFit Programme Update

30. The £19.5m cash savings target for Year 3 (2013/14) was successfully achieved. Year 4 (2014/15) had a target of £26.9; Years 5 and 6 (2015 - 2017) had identified required potential savings of £36.5m. Based on the existing MTFP savings of approximately £25m p.a. would be required until at least 2017/18 and in order to achieve this level of savings may, if not all, Council services would need to be delivered differently; impacting service users and staff. Early planning for this was being progressed.

Borrowing and Lending Transactions 2013/14

31. The key highlights of the treasury management operations included £5m of existing loans had been repaid during the year; no new loans had been taken out; and total debt outstanding was within plan at £240m at 31 March 2014 (average rate of 4.35%).

Funding for School Kitchens

32. £1.272m capital allocation for 2014/15 had been provided to Worcestershire to improve kitchen and dining facilities in Local Authority and Voluntary Aided (VA) schools. The initial capital bid for Local Authority and VA schools exceeded the allocation for Worcestershire by approximately £332,000, however using other sources of funding all relevant schemes had been approved.

Performance Review

33. The Council was beginning a cross-organisational review of performance management to shape the performance management cycle around the governance structure that would support the new Operating Model and Stakeholders' needs. It would include a performance culture embedded across the organisation, greater coherence and

consistency in processes, improved organisational and service performance, more efficient effective use of resources and improved transparency and accountability.

34. The Cabinet has endorsed the Cabinet Member with Responsibility for Finance's conclusions concerning financial performance for the year ending 31 March 2014 and for the statutory accounts to be finalised on this basis, agreed for the earmarked resources and general balances to be updated, endorsed the current progress and successes regarding the FutureFit programme and accepted the report on borrowing and lending transactions during 2013/14 - the details for which were outlined in the Cabinet report and accompanying appendices.

Mr A I Hardman
Chairman

Contact Points

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Background Papers

In the opinion of the proper officer (in this case the Director of Resources) the following are the background papers relating to the subject matter of this item:

Agenda papers and background documents for the meetings of the Cabinet held on 9 June 2014.