

COUNCIL
8 NOVEMBER 2018**REPORT OF THE LEADER OF THE COUNCIL**

1. The last twelve months have seen the UK continue to grapple with a period of significant change and uncertainty – be that in relation to our future role within Europe and place in the world, rapidly advancing technology reshaping our lives, new 'disruptive' business models changing the way many sectors operate or security and safety considerations both virtual and physical.
2. Worcestershire is not immune to these changes and, both as a County and an organisation, we must continually adapt and evolve, rethinking what we do and the way we work to best position the County and our Council, to enable residents and businesses to make the most of the opportunities this presents as well as reducing the risks these changes pose.
3. Local Government, particularly County Councils, have had a higher than usual national profile over the last year – starting with the national concerns over Northamptonshire, then the growing and increasingly understood pressures from an ageing society and working age disability and more recently the variety of local responses to tackling the financial challenge.
4. Worcestershire is no different. After ten years of reform programmes delivering £168 million of savings, we have started to experience real challenge in trying to hold down our cost base at a time of increases in demand led children's and adults social care that now accounts for nearly 70% of our net budget. This, coupled with the more recent increase in pay and contract inflation, and a clear desire to continue to invest in those things that the public say are important and in need of improving, have created a challenge for us.
5. On the positive side, Shaping Worcestershire's Future – our plan for the County – continues to guide our work. It sets an ambitious vision for Worcestershire with refreshed aims around our four priorities up to 2022. It includes cross-cutting themes covering; moving towards self-sufficiency by growing our income base and better utilising our assets, an enabling authority helping individuals, families and communities to do more for themselves, commissioning as a way of defining outcomes, evaluating providers and securing VFM and finally, working better together as One Worcestershire.
6. Our efforts to grow the economy and improve our infrastructure are paying off with strong economic growth, low unemployment and more homes & businesses. This in turn is generating more Council Tax and Business Rates. Our income is growing but not fast enough to keep pace with the demand led costs of social care resulting in the budget gap. Therefore, it is essential to keep supporting economic development and infrastructure which unlocks growth, both housing and economic, whilst at the same time lobbying for a national funding solution for Adult Social Care and fairer funding formula.
7. Major changes in our management team, gaps in capacity, new systems and a relentless focus on improving Children's Services have meant that some of the cross-cutting themes in the Corporate Plan have made slower progress. But this is changing and under our new Chief Executive Paul Robinson's leadership, our strengthened SLT is having a very positive impact on our ability to move the organisation forward and create the Council of the future.

Open for Business

8. Being 'Open for Business' is a key priority for the Council. This is vital if both individuals and businesses are to achieve their full potential and if Worcestershire is going to continue to prosper. A successful and growing local economy generates wealth for residents and businesses and increases Council income through increased levels of Business Rates.

9. Worcestershire LEP is continuing to make great progress towards our shared objectives set out in the Strategic Economic Plan of creating 25,000 jobs, increasing Gross Value Added (GVA) by £2.9bn and contributing towards the delivery of 21,500 new homes by 2025. Progress to date has seen 22,000 jobs created, adding £1.7bn GVA and 9,960 homes. Worcestershire LEP is delivering a total of £71.7m of Growth Deal funding between 2015 and 2021 for agreed economic projects. Unemployment in the County continues to be low at 1.6% and we rank as one of the fastest growing local economies. Worcestershire is playing its part at a regional level in the Midlands Engine, Midlands Connect and West Midlands Rail as well as the North Cotswold Line Taskforce.

10. The key economic 'game changer' sites in the County continue to grow. Worcester Six has seen five new investors taking over 700,000 sq. ft. of commercial space. Redditch Gateway has been granted outline planning consent for 1,000,000 sq. ft. and we are working closely with the developer and partners to attract occupiers to this important site. Malvern Hills Science Park continues to develop high quality defence and cyber security jobs, with construction complete on Phase 5 and further expansion planned.

11. Investment in digital infrastructure continues; broadband speeds in the county have been transformed with superfast broadband (24Mbps+) now available to over 95% of premises in the county and the programme continues to deliver.

12. In March 2018, Worcestershire was one of only six projects across the country to be awarded funding as part of DCMS' 5G Testbed and Trials programme. The Worcestershire consortium secured £4.8m, with private sector partners contributing and a host of major companies involved. The project focusses on use cases that increase productivity in manufacturing, detecting faults in machinery as well as ensuring 'security by design', highlighting the role of Worcestershire in pioneering 'Industry 4.0' to create a connected, creative and dynamic economy for its businesses, residents and investors.

13. Working with the Worcestershire LEP, we are strengthening the county's transport infrastructure with major investments in Worcestershire Parkway, the Southern Link Road, A38 corridor, Kidderminster Station and Pershore Link Road to name just the key projects.

14. In July, Cabinet noted the progress being made on the delivery of the overall A38 Bromsgrove Major Scheme. This scheme, currently being developed in 5 'packages', is essential to support growth identified in the adopted Bromsgrove District Plan. The initial phase of the overall scheme consists of improvements to three junctions including the M5 Junction 4 and the M42 Junction 1, with delivery commencing next year. The A38 will form part of the Major Roads Network, which opens up opportunities for future funding bids.

15. Worcestershire Parkway is progressing well. The steel structure of the station building and footbridges can be clearly seen as can the 500 space car park, new roundabout and access road. Once operational, this will enable Worcestershire to reap the benefits of increased inward investment that the improved connectivity will facilitate.

16. Dualling the A4440 Worcester Southern Link Road has progressed with a new railway bridge over Crookbarrow Way and construction of the carriageway now underway, thereby completing the dualling between junction 7 of the M5 and the Ketch Roundabout. We continue to progress Phase 4 which will see the dualling of the road between the Ketch and Powick roundabouts, with planning already secured and completion due during 2021.

17. Looking to the future, we are working with the Worcestershire LEP on a 2040 growth and infrastructure plan to support the efforts of our district councils in revising their Local Plans. This will help develop the pipeline of projects for the County into the next decade and help prioritise bids to Government and other funding streams. We are also working closely with other counties through Midlands Connect, on the A46 partnership to progress major upgrades to the A46, including the Worcestershire section and with the North Cotswold Line Taskforce, chaired by Lord Faulkner, to unlock a better train service.

Environment

18. The County's environment is one of our unique selling points and a reason many of us enjoy living and working in Worcestershire. It helps in attracting visitors as well in marketing the County to prospective investors and the skilled individuals that the economy needs. We act as custodians with a duty to protect and enhance our natural and built environment and it plays an important role in other priorities such as health and wellbeing. Our environment theme also covers moving around the county and dealing with flooding.

19. Disposing of household waste and recycling is a core duty of the Council. Following the first operational anniversary of our Energy from Waste plant, EnviRecover, in March 2018, it has become evident that the plant is performing better than expected and will provide the County with an efficient way of dealing with our residual waste for decades to come as well as providing enough electricity to power 32,000 homes.

20. Although our recycling performance has plateaued over recent years at approximately 43%, the successful delivery of EnviRecover means that less than 20% of household waste in Worcestershire is currently landfilled. The Council continues to work with our district council partners who collect household waste and our Household Recycling Centres to promote recycling and reuse to reduce the amount of household waste we have to dispose of as an authority. Greater collaboration in this area will be needed over the coming years.

21. We have continued to complete a range of drainage and flood mitigation schemes in key locations to improve the County's resilience to the effects of flooding and the changing climate. Since 2013, nearly 400 flood alleviation and drainage schemes have been implemented to mitigate the risk to over 1,800 homes, businesses and key sections of the highway network. During the last 12 months the major flood adaptation scheme at New Road in Worcester has been completed and progress has been made with the scheme at Upton-upon-Severn, with the final phase now underway and due for completion in 2019.

22. Our highway infrastructure is one of our most valuable assets, providing a vital transportation network for both businesses and residents across the County and beyond. The County continues to gain the highest level in the DfT Incentive fund, thus securing the maximum Highway Maintenance funding available. Even securing this maximum level of funding from the DfT additional capital monies are required to achieve our target of being in the top quartile in each road class. The recently agreed £37.5 million three year Highways Infrastructure Improvement Fund (HIIF) will greatly assist in reaching this target.

23. Local residents across the county have benefitted from the Driving Home programme that is drawing to a close, to treat 150 miles of local roads. In addition to our core maintenance programme for footways, we have invested an additional £6m to complete a total of 174 footway schemes. Maintaining the highway in a good condition is important for everyone whether you walk, cycle or drive and this is recognised by the public who consistently rank this as something which is very important in our viewpoint surveys.

24. Another key concern that is raised in our Council surveys and is a focus for investment in cutting congestion. Following our budget allocation of £5 million we have been successful in drawing in £6.6m of Government monies to match fund schemes under development. In Worcester, to improve traffic flow and air quality by upgrading and better sequencing traffic signals, and in Bromsgrove, enhanced walking & cycling routes. I am keen to see further projects developed to tackle other pinch points across the County as well as improving walking & cycling as part of the implementation of Local Transport Plan 4.

25. Work is continuing across the county to provide attractive public spaces to help preserve the county's historic character and support the local economy. Building on the success of Cathedral Square in Worcester, we have now successfully completed additional public realm schemes countywide that include Upper Broad Street in Worcester, Alcester Street in Redditch, Droitwich High Street and Teme Street in Tenbury. The next phase will include The Shambles in Worcester and Worcester Street in Kidderminster.

26. One of the challenges we face in our rural county is sustaining an adequate bus network for those that rely on public transport for essential shopping, getting to work, school or college and avoiding social isolation. A fundamental review of the bus network in Worcestershire, including Home to School Transport, will be undertaken. The objective of this review will be to produce a sustainable network, which meets the Council's statutory duties, to benefit residents and businesses.

Children & Families

27. The Children and Families priority covers three key aspects; ensuring children achieve their full potential in education, move successfully into employment and that we place safeguarding at the heart of what we do and protect children from harm.

28. Making sure children and young people in the county get a good education and the right skills to succeed is essential to improve the life chances of the next generation and deliver continued economic growth with better paid, higher skilled jobs. Our aim is to ensure good educational outcomes are delivered whether that is in maintained schools or academies. More than eight out of ten schools are currently rated by Ofsted to be good or outstanding and this year 93% of parents secured an offer at their first preference school for their child.

29. However, given our housing growth there is a rising demand for school places in some locations. So we will need to work with schools and our district partners to ensure adequate contributions are secured through the planning process for extensions, and where needed new schools, to meet growing demand.

30. Following the publication in May of the findings of our Local Area SEND Inspection, a full and robust written statement of action has been prepared in partnership with parents, carers, and young person's representatives. This was approved, with minor amendments, by Ofsted. The Written Statement of Action is an extensive plan of action and is constructed around five work streams: The Local Offer, Embedding the Graduated Response, Assessment and

Planning, Joint Commissioning and Leadership, Workforce Engagement. DfE and NHS England will monitor progress on the Statement of Action.

31. It is still a key aim of this Council, to ensure that young people leave education and successfully transition to employment. I am pleased that we continue to reduce the number of young people not in education, employment or training (NEETs). This figure currently stands at just 2.8% (Aug 2018). The Connecting Schools and Business programme is working with over 50 secondary schools, special educational need schools and further education colleges in the County. Worcestershire, through its Careers and Enterprise Programme, remains the first area nationally to have 100% engagement of all educational establishments post-14 years old. We also continue to build on the work of Worcestershire Apprenticeships bringing investment of £1.47m into this initiative and since September 2017 around 20,000 young people in the county have received apprenticeship advice.

32. Ofsted has continued to carry out regular Monitoring Visits of Children's safeguarding arrangements every three months and at each visit positive progress has been noted. Improvements are driven by our Service Improvement Plan (SIP) which was refreshed in April and been supported by strong cross-party political support and financial investment of £10.5 million this year alone, which has enabled improvement to happen at pace.

33. Ofsted have identified our Corporate Parenting arrangements as a strength and commended our whole system Quality Assurance programme which is helping the service to understand what is working well and what is not. The quality assurance programme is evidencing improvement in the quality of practice with a 31% decrease in case audits resulting in an 'inadequate' judgement from 2017 to 2018. Implementation of our new practice model Signs of Safety, is giving us a sound basis for consistent good practice.

34. In February 2018, we completed a reorganisation of our social work structure which has led to further improvements in the quality of practice, supervision of social workers and staff stability. Overall permanency of qualified social work staff reached 77% in August 2018, up from our lowest point in February this year when this figure was 59%. Through our work to enhance multi agency partnerships, we have been strengthening the delivery of early help through a reorganisation of family support and developing our partnership vision and delivery of the Early Help Offer.

35. We have continued to work with our improvement partner, Essex County Council, to complete in depth diagnostics of our individual teams and service areas with a specific focus on our approach to Edge of Care and Early Help. Using quality assurance information, performance data and service user feedback, we can monitor progress better. With this foundation of good practice in place, we will continue further improvements to fulfil statutory responsibilities and secure a 'Good' Ofsted rating.

36. Alongside our improvement programme work has continued on the development of an alternative delivery model for operationally managing the service. Adhering to the Department of Education's statutory direction, we have chosen to develop a wholly owned council company called Worcestershire Children First (WCF). The current plan is for WCF to commence a shadow period in April 2019 until the official 'go live' on the 1st October 2019. This shadow period will allow us to test and make amendments to the Company's design or contractual arrangements. This month we will be considering whether to include Education, including SEND, within the scope of the Company in order to prevent the fragmentation of Children's Services and help deliver the best outcomes for Children.

Health and Wellbeing

37. Our Health & Wellbeing theme has three key elements: Promote healthy lifestyles, supporting people to live independently for as long as possible and working with health & social care to ensure evidence based and effective services.

38. Promoting healthy lifestyles is an important part of our overall ambition to embed prevention and reduce health inequalities. One way we do this is through our focus on childhood. Our health visiting services deliver key universal prevention services to support families to prepare for parenthood, assess children's health and development, and link families with local support. Our Healthy Child Programme includes 5 key developmental checks of all children in the County and uptake was above the national average this year.

39. Supporting people to live independently for as long as possible means preventing problems from developing, and making sure that action is taken quickly if problems arise. Our NHS Health Checks programme, for people aged 40-74, is designed to identify early signs of stroke, kidney disease, heart disease, type 2 diabetes or dementia, and deliver risk reduction. All these conditions are linked to an increased risk of loss of independence in later life and we are meeting these national targets too.

40. Living independently is more likely if people are active in their local community. This year we have created an innovative social prescribing pilot, in which people attending their GP can be seen by social prescribers who can support them with social issues and refer where appropriate to other community services. This initiative is an important part of building more resilient communities where people are better able to support themselves.

41. Promoting independence remains a key Adult Social Care objective, as we know that people can live healthier and more fulfilling lives if they retain their independence. To achieve this, Adult Social Care adopted a strengths-based approach called the Three Conversations Model last year. This approach connects people with resources in the local community, friends and family. If people are in a crisis, we work with them swiftly until this is resolved and only then started planning for the future. The pilots ran for 12 months and demonstrated that people receive a significantly faster response and fewer people need funded support. As a consequence, this approach has been rolled out and we are now one of the leading Councils in the adoption and implementation of this approach.

42. Working with health and social care to ensure evidence based and effective services is important in improving the health and well-being of our residents. We continue to work closely with health partners where this will bring improved health outcomes and better value for money. Collaborative work with the Herefordshire and Worcestershire Sustainability and Transformation Partnership (STP) has continued this year, with active involvement. This includes contributing public health leadership and support to the new 14 neighbourhood teams across Worcestershire which brings together an integrated range of professionals including GPs, district nurses, social workers and public health.

43. Collaboration, co-location and delivering services closer to the people requiring them, are part of the answer to a better, healthier, and more resilient county, and the close working between social care, public health, and the NHS is a key tenet of our approach.

44. Once again, we continued to support the Worcestershire Hospitals through a challenging winter last year. Through strong collaboration and despite significant pressure, we sustained very good performance on the number of people for whom delays from the Worcestershire Acute Hospitals are attributable to social care. We recognise the system is challenged and

despite both the cost and staffing pressures we face, know that working together is the only way to ensure that people receive the right care in the right place.

45. Adult Services continue to face significant demand and cost pressures, with increased numbers of older people living with frailty and rising market costs – over 75% of the people we support are over 80. As over 85% of the care provided is purchased from the independent sector we recognise the important role that sector plays. We are looking for more innovative ways of delivering care with the independent sector, and are optimistic in the next few months that we can work with a local provider to maximise the potential of assistive technology to enhance people's lives in their own home.

46. The funding of social care remains a significant national challenge and we have raised our concerns about the need for a long term national funding solution at all levels. I welcome the recent announcement of additional grants for this financial year and next but we still face a funding gap. We look forward to the Green Paper on the future of social care and hope that it will provide a credible and affordable blueprint for the future.

Our Financial Challenge

47. Worcestershire, in line with other County Councils, is facing significant in year financial pressures. Counties across the Country have been reporting overspends due to the rise in demand led Children's and Adults social care and difficulties in achieving planned savings. We are not alone in having to make increasingly tough decisions to balance the books. An increase in Council Tax of 4.94% was agreed included 3% for Adult Social Care, but even this rise in income has proved to be inadequate to deal with cost pressures.

48. Last year our financial pressures centred on Children's Social Care with rising numbers coming into care and the need to strengthen our safeguarding arrangements. The budget invested a record £10.5 million into children's safeguarding and placements providing resources to reduce caseloads for social workers, improve management oversight and deal with the demand for placements.

49. In September we reported a projected £17.9 million overspend at the end of the financial year without action, of which £15 million relates to Adult Social Care. Measures totalling £12.7 million have been put in place to bring this down to £5.2m but further action was required to aim to bring this into balance and so, a Voluntary Redundancy Scheme has been opened for a short window alongside the service restructures.

50. A combination of continued growth in demand from an ageing society, with frail older adults requiring more care and a rise in working age disability, particularly learning disabilities, together with savings plans and reforms taking longer than anticipated or in some cases providing undeliverable, has contributed to costs escalating in Adult Services.

51. The Cabinet Member and Director of Adult Services have worked to create a new revised plan to reset the budget, reflecting demand and current knowledge of what is achievable and the budget will need to be increased and rebased as part of this year Council budget. Taken together, Children's & Adults Social Care account for nearly 70% of our net budget, with waste disposal and debt management accounting for approximately 9% each, this leaves little room for manoeuvre.

52. It is a picture repeated in County Councils across the Country and as a national issue, the funding of Adult Social Care requires a national funding solution. In the absence of these

national decisions, individual councils such as Worcestershire, will be required to allocate increasing sums to social care potentially crowding out spending on other services.

53. Locally, our efforts to support economic and housing growth are seeing Council Tax and Business Rates income grow. This is helping to sustain investment in better infrastructure and services which would otherwise be lost. We must look again at our assets and borrowing ability, as many other authorities have done, to see if we can grow income further. This will undoubtedly carry some additional risks but many councils much smaller than ours have gained valuable extra resource through this approach.

54. We continue to contribute to work by the County Councils Network and LGA on the review of the funding formula and move to 75% Business Rates retention. It is crucial that this new funding formula reflects the key drivers of cost and adjusts the weighting for rurality and sparsity. This could help to address some of our funding gaps for future years.

55. This year we have welcomed a new CFO who has set about implementing a Finance Improvement Programme and continued the work established by Sue Alexander – whom I would like to thank for all her efforts as interim CFO – to ensure we met the earlier audit deadline and dealt with the systems issues following implementation.

56. The coming months will I am sure, continue to prove challenging in delivering the in year measures, agreeing a robust budget for 2019/20 and revised MTFP. But however difficult, we must ensure we set a balanced budget and live within our means.

Council of the future

57. Alongside the refresh of our MTFP we are looking to re-examine the shape and size of the authority, our offer and how we work in the future. This organisational redesign will be underpinned by the cross cutting themes I mentioned at the start of this report.

58. It will require us to reimagine what the Council looks and feels like into the 2020s and beyond, embracing new technology, ways of working and the opportunities that will bring to improve productivity, performance, satisfaction and deliver better value for money.

59. A leaner enabling authority focused on the key things we must do and those that critically affect the future whilst supporting those individuals, families and communities who can, to do more for themselves. It will mean the whole of Worcestershire public sector working better together – One Worcestershire. We will influence more, but directly control less and more often be a broker of solutions rather than provider of service. Our Commissioning model will be clear on the outcomes we are seeking, robustly analyse the options and hold providers to account for delivery. We will innovate, take proportionate risks and accept that will mean that not everything will work perfectly first time every time. But by taking this approach we will achieve more overall and in shorter timeframes. Our organisation will be digital by design and better able to respond to a changing environment.

60. Our financial challenges offer an opportunity to rethink the Council of the future. It is something other Counties like Oxfordshire are doing and given the significant change in the creation of a Children's Services Company will, in my view, be required in any case.

61. In the meantime we continue to strengthen our Commissioning capability and learn lessons from the commissioning cycle. A number of key technology developments demonstrate our ability to commission and deliver enhanced services at lower cost.

62. Our review of ICT services has led to the successful insourcing of a range of services which went live this October. The Council is continuing to invest in new digital technology, processes and skills to improve the way it works, improve the delivery of Council services and make cost savings. We are doing this through a number of key programmes: Digital Council, New Social Care Case Management System (SCCM) and Future Technology Transformation Programme (FTTP).

63. Turning to our progress on e5 and iTrent, I am pleased to say that we have moved forward significantly in the last 12 months. We have reported to Audit & Governance Committee the full extent of the issues experienced at 'go live' and completed the actions in the SOCITM report. We also have a joint programme with our partner Liberata, for the next programme of improvements that is already being actioned and will be monitored.

Our Communities

64. The Council have held face to face conversations with nearly 1000 residents at the public roadshow events that have been held this year. Events took place in each of the district areas in both winter and summer. The resident roadshows have given people from across Worcestershire the opportunity to share with us their thoughts and opinions on the services we provide. Through the planned activities, it has been demonstrated that our residents value the quality of life in Worcestershire, over and above everything else. When it comes to Council spending people told us that they are broadly satisfied with how their council tax is spent. The issues most important and in need of improvement in our viewpoint survey continue to be highways, tackling congestion and public transport.

Conclusion

65. In Summary, this Council, in common with other Counties, face a period of significant change as we prioritise the needs of the most vulnerable in society, maintain our vital highway network, discharge our core duties like disposing of waste and continue to invest in infrastructure to unlock economic and housing growth. This does mean, we will have to reshape the organisation and our offer to live within a financial envelope we can afford.

66. However, we will continue to account for over £800 million of public expenditure, including schools and our capital spend, and remain one of the County's largest employers. I remain confident that we will continue to positively shape the County, and working more collaboratively with our private & public sector partners, achieve the ambitious plans we have set out. As locally raised income from new homes & businesses grows, together with a revised Local Government funding formula that better reflects the drivers of cost, we will be in a stronger position.

67. Finally, I would like to thank Cabinet, our management team and the wider workforce, as well as all members for the invaluable contribution they make each and every day to improving Worcestershire and the services of the Council.

Simon Geraghty
Leader of the Council
November 2018