

**COUNCIL**  
**17 JANUARY 2019****REPORT OF CABINET - SUMMARY OF DECISIONS TAKEN**

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**2019/20 Draft Budget and Medium Term Financial Plan Update 2019-22**

1. The Cabinet has considered a draft Budget Report which provided a first assessment of the 2019/20 precept need, an update on the Medium Term Financial Plan (MTFP) and the Council's budget for 2019/20. The assessment took into account the impact on Council Tax, Social Care Precept, the capital investment programme, schools' overall budgets as well as Council reserves. The report also set out an indicative MTFP to highlight expenditure and income from 2019/20 to 2021/22.

2. The report indicated that, working in partnership with the Worcestershire Local Enterprise Partnership, the Council has in recent years significantly invested in the county to enable economic and housing growth by improving the digital and physical infrastructure. These developments support the Strategic Economic Plan for the county to grow the economy, deliver more homes and create higher skilled and better paid jobs. As a result, the Council's funding is growing with £13.3m more expected from Council Tax in 2019/20 and a further £1.4m through the business rates retention system. Government general funding is set to decrease by £9.4m meaning that overall the Council's net income will increase by £6.2m in 2019/20. Although growing, income is not increasing fast enough to keep pace with demand-led social care services, inflation and the National Living Wage. In 2019/20 a further £14.1m will need to be invested in Adult Social Care and £7.7m in Children's Social Care. This is on top of £10.5m reprioritised to Children's safeguarding and placements in 2018/19. Further national guidance is awaited but in the meantime the Council needs to budget for the costs being incurred now and projected demand in 2019/20.

3. The draft Budget proposes a series of measures to further increase income, reform the organisation and save money to bridge the financial gap and fund essential demand-led social care services as well as investing in the economy and infrastructure projects. The Cabinet has agreed that it is minded to recommend to Council in February 2019 an increase in Council Tax Precept by 3.99% (2.99% to provide financial support for delivering outcomes in line with the Corporate Plan and priorities identified by the public and business community and 1% Adult Social Care Precept ring-fenced for those services). This will still leave a projected shortfall in the 2019/20 budget, before accounting for decisions already made, of £22.9m. The Council has already taken steps to close the gap and is continuing to seek ways to transform how it works, deliver further efficiencies and adopt a more commercial approach to achieve further savings. The Cabinet has approved for consultation a draft budget of £330m which includes a proposed Transformation and Reforms programme. It has also approved for consultation a capital programme 2019-22 of £229m and an earmarked reserves schedule for investment in the economy, infrastructure and transformation of the county.

4. The proposals are now the subject of consideration by Scrutiny and a wide public consultation including the Schools Forum, Trade Unions and other stakeholders.

Cabinet at the end of January will be asked to consider feedback received from this process and any significant updates before presenting its proposals to Full Council in February 2019 to allow final approval of the budget, capital programme, schools' overall budget and the level of reserves.

### **Development of Worcestershire Children First**

5. Further to the report to Council in September 2018, the Cabinet has considered the further development of Worcestershire Children First (WCF), the wholly-owned council company model chosen to deliver children's social care, including proposals to broaden the scope of services and responsibility transferred to WCF, and their implications.

6. As a wholly-owned council company, the Council retains a number of reserved matters that require WCF to seek approval from the Council prior to implementation. The reserved matters have been used to develop the Articles of Association of the new company. The Cabinet has therefore approved the reserved matters to include in the Articles of Association for WCF. Following a review of all aspects of the business case in order to finalise the scope and budget required for successful delivery of WCF, a recommendation has been made to widen the scope of the functions and services transferring into WCF to include broader children's services including Education Services, Early Help and community health services. Subject to agreement from the Minister, the Cabinet has noted the proposed changes to broaden the scope of services and responsibility to WCF and the implications of this for the programme.

7. As a result of these scope changes, the programme will require further design work. The Cabinet has therefore authorised the Chief Executive, in consultation with the DfE appointed Children's Commissioner, Leader of the Council and Cabinet Member with Responsibility for Children and Families, to re-profile and implement a revised programme plan. A further report will be brought to the Cabinet in Spring 2019 on the final decision around scope and transfer of services to WCF.

### **'Good Education Places for all Worcestershire Children' – School Organisation Plan 2019-24**

8. In 2010 it ceased to be a statutory responsibility for the Council to produce a strategic School Organisation Plan. Since this time the landscape of education provision planning has changed with academies, the role of the Regional Schools Commissioner, school-led organisational changes and large-scale housing growth. In light of this and the Council's Corporate Plan objectives for children and families in terms of the priorities for place planning, the Council has recognised the need for this type of strategic document to lay out how it will manage provision planning at a time of change and rising demographic growth at secondary school level. This was further reinforced by 'Great Educational Outcomes for Worcestershire Children – Review of Education arrangements in Worcestershire' which recognised the strategic role the Council has in terms of provision planning and the need for longer term plans that take into account factors such as population change and housing developments.

9. The Cabinet has therefore approved the publication of 'Good education places for all Worcestershire children' – Worcestershire County Council's School Organisation Plan 2019-24 as the strategic plan for education place planning. The Plan covers all areas of the Council's role in provision planning and school organisation and its aim will be to

support schools, providers, developers and other key professionals by providing a strategic direction for the Council 2019-24 in respect of provision planning and providing easy access to key documents. The Cabinet has noted that the Plan will be revised annually and will return to Cabinet in 2019 to seek approval to the updated sufficiency of education places reports and any other changes.

### **Review of Education Planning Obligations required under S106 and Community Infrastructure Levy**

10. The Council has a statutory duty to ensure that there are sufficient school places for all children aged 4-19 resident in Worcestershire who wish to attend a publicly-funded school. It is also responsible for ensuring that all 3 and 4 year olds (and all eligible 2 year olds) can access high quality, free early education places either in school or private provision. The Council currently utilises Community Infrastructure Levy (CIL) contributions and Section 106 planning obligations to mitigate the impact of housing developments on educational infrastructure. The Education Planning Obligations Policy sets out the approach the Council will take in assessing the impact of new housing developments on schools and early education provision and calculating the appropriate mitigation via conditions and planning obligations. Since the Policy was last reviewed there have been a number of changes to planning policy and the education environment which has meant it was no longer fit for purpose.

11. The Cabinet has noted the details of key changes which are proposed to the Planning Obligations Policy for Education and authorised the publication of the proposed revised Policy including key changes following a process of formal consultation. It has authorised the Cabinet Member with Responsibility for Education and Skills, in consultation with the Director of Children, Families and Communities, to approve the Policy having regard to any representations, and formally approve it for adoption intended to take place on 1 April 2019. The Cabinet has also authorised the Director to review the adopted Policy from time to time in order to update the 'cost per pupil place' and, following the publication of data from the 2021 Census, to update the 'pupil yield' figure.

### **Commissioning a Prevention and Early Intervention Service for Children and Young People**

12. The Cabinet has considered progress regarding the development, transformation and procurement of an integrated prevention and early intervention service for children and young people. The service specification gave an evidence-based approach to identify risk factors and issues early as they emerge and provide extra support at intensity according to identified need. The services in scope were the range of 0-19 Public Health Nursing Services which are statutorily required and the Parenting and Family Community Support Services. The service specification has been amended over time as a result of a reduced budget envelope. Progress to date indicates some evidence of improvement and stability over the past two years and preparations had been made to go to market again in order to place a new contract for a new Prevention and Early Intervention Service for children and young people from March 2019, building on the improvements in the 2016 service specification.

13. As a result of a changing environment, this timetable has been reviewed. The Council following a safeguarding inspection in October 2016 received an inadequate rating. A full service improvement plan is now in place and a proposal to deliver

children's social care through the development of a wholly owned Council company agreed. A Special Educational Need and/or a Disability (SEND) Strategy has been approved to strengthen, develop and deliver services to meet the needs of children and young people with SEND. The NHS landscape has also changed with the emergence of the Herefordshire and Worcestershire Sustainability and Transformation Partnership, the early development towards Integrated Care Organisations and a new Local Maternity System Plan. As a result of this, a number of interdependencies have been identified in relation to the original procurement timetable.

14. The Cabinet has approved a revised procurement timetable (including arrangements to ensure interim service provision) to enable a full assessment of the impact of the current environment, and completion of a needs assessment to inform service design, prior to commencing procurement by March 2019 with a view to awarding the contract by January 2020. It has delegated authority to approve the final specification, tendering and contractual decisions, including award of the contract, to the Director of Public Health in consultation with the Director of Children, Families and Communities and the Cabinet Members with Responsibility for Health and Wellbeing and Children and Families.

### **Forward Look at Adult Services**

15. The Cabinet has considered proposals to consolidate Adult Services' vision and strategic objectives through the Directorate's policy documents to meet its focus of keeping people with care and support needs, and those that support them, as independent as possible, to enable people to remain active members of their community and to continue to make a contribution to it.

16. Details of the current and forecast demand and financial pressures for the provision of Adult Social Care, which are significant both nationally and locally, have been noted by the Cabinet. It has also been made aware of the recent reports into the viability of the adult care market and the recent National Audit Office report 'Financial Sustainability of local authorities 2018'. In light of this the Cabinet has endorsed the direction of travel within Adult Social Care to manage demand and improve people's independence as set out in its business plan 'Promoting Independence: Our Vision for Transforming Adult Social Care in Worcestershire' and the Worcestershire Market Position Statement. It has also endorsed a number of Adult Services policies and procedures and authorised the Interim Director to take all necessary steps to implement them.

17. The publication of a Government Green Paper on care and support for older people is still awaited. The Cabinet has requested a report on the Council's response to the Green Paper once published, indicating a preferred direction of travel. It has also asked that the value of the care sector as wealth-generating businesses and as an employer is recognised in the development of economic and regeneration policies within the county.

### **Council-Provided Day Services for Adults with a Learning Disability and Connect Short-Term Service**

18. Further to the report to Council in July 2018, the Cabinet has considered the feedback from formal consultation with individuals using services and carers on the proposal to close the Wyre Forest Connect Long-term Learning Disability Day Service.

It has also noted feedback from engagement with stakeholders regarding the other services located at Wyre Forest Connect, namely the Wyre Forest Connect front desk service, the Wyre Forest Connect drop-in service and the Personal Care Suite. A detailed Equality Impact Assessment on the proposals, previously approved by the Cabinet in June 2018, in relation to Council-provided Day Services for Adults with a Learning Disability and the Connect Short-term Service has also been analysed.

19. Based on the conclusions of the above the Cabinet has approved the closure of Wyre Forest Connect Long-term Learning Disability Day Service, Wyre Forest Connect front desk service, Wyre Forest Connect drop-in service and the Personal Care Suite with effect from 1 April 2019. Work has been carried out on options to remodel the Connect Short-term Service for adults with lower and medium levels of need. As a result, the Cabinet has endorsed the continuation and relocation of that Service into the 'strengths-based' Three Conversation Model approach to social work with effect from 1 April 2019 with the detail of implementation and how the Service will operate in the future to be decided by the Director of Adult Services and the Director of Public Health.

20. Work in relation to the Council's other Learning Disability Day Services (Resources Centres, Connect Long-term Services and Leisure Link) to develop strategies for cost reduction and income generation in order to reduce the gap between the cost of the in-house services and the external sector and deliver planned savings is ongoing. The Cabinet has authorised the Cabinet Member with Responsibility for Adult Services to commence any formal consultation in relation to these services to the extent that any proposed changes are required to achieve the ongoing financial sustainability of the services.

## **Waste Contract**

21. Council will be aware of the history of the Waste Management Service Contract (WMSC) and the successful commissioning of the new Energy from Waste plant, EnviRecover. The plant became fully operational in March 2017 and has been performing better than expected as per the model provided by Mercia Waste Management Limited (Mercia). There is therefore an opportunity to review the current restrictions on the plant to process a greater amount of waste each year. This would provide an additional revenue stream that could be shared between the contractor, this Council and Herefordshire Council. A Planning Application is being made by the contractor to increase capacity. It is therefore felt timely to ask Mercia to make a proposal (the "Contractor's Proposal") regarding the contract and potential extension as the Councils may be in a position to benefit from the successful delivery of this asset by Mercia at this time.

22. Given that the WMSC is already in effect pursuant to the decisions of the Councils at its inception and subsequently (in relation to any changes) Cabinet has agreed to define a mandate by reference to certain parameters ("the Parameters") within which any Variation can be concluded: Planning, Financial, Contractual and Technical.

23. The Cabinet has therefore authorised the Director of Economy and Infrastructure, in consultation with the Chief Finance Officer, Head of Legal and Democratic Services and Herefordshire Council, to negotiate the form of a Variation to the existing WMSC with Mercia to put into effect Mercia's proposals:

- (i) to increase the capacity of the EnviRecover facility at Hartlebury, subject to satisfactory planning permission;
- (ii) relating to such other ancillary issues as are appropriate in relation to the WMSC;
- (iii) to extend the duration of the WMSC by a period of up to 5 years

provided such a Variation is in compliance with the Parameters. The Director is to report back to Cabinet when he considers the Parameters have been materially satisfied for a further decision to execute the Variation.

### **Scrutiny Report: Bus and Community Transport Provision**

24. The Cabinet has considered a Scrutiny Report on Bus and Community Transport Provision which was initially prompted by concerns raised about reductions to bus services and the potential impact on the public. A Notice of Motion agreed by Council in September 2018 welcomed the Council's undertaking to carry out a fundamental review of its entire subsidised services and requested that the review be supported by an urgent cross-party scrutiny into current bus and community transport provision. The Overview and Scrutiny Performance Board (OSPB) agreed the establishment of a Scrutiny Task Group to complete a scrutiny exercise and that the scope of the Group should be to examine and make recommendations on:

- how Bus Services are currently operating, both subsidised and commercial
- current County Council policy and budget for bus subsidies
- how the bus service cuts will affect the service users
- whether the existing bus services meet the needs of bus users across the county
- the role of community transport and how it is supported
- how the Service is perceived and experienced by bus users
- proposals for how the review of subsidised bus services will be carried out.

25. The Cabinet has received the Scrutiny Report on Bus and Community Transport Provision together with the response from the Cabinet Member with Responsibility for Highways. It has noted the Scrutiny Report and agreed to adopt the response of the Cabinet Member as the way forward.

### **Balanced Scorecard Performance and Corporate Risk Update**

26. The Cabinet has received the latest update of the Corporate Balanced Scorecard for Quarter Two 2018/19. Currently there are 59 indicators reported in the Scorecard. 22 of these are rated 'green' representing good performance or progress. This includes two indicators; premises with superfast broadband and household waste collected per head, which have been highlighted as demonstrating positive progress in performance. 8 indicators are rated as 'red'. 5 of those indicators rated 'red' have had a performance update in Quarter Two 2018/19 and actions are being taken to improve their performance.

27. The Corporate Risk Register provides a mechanism for collating and reporting risks that could affect the delivery of corporate objectives. The Cabinet has considered an overview of risks identified at the end of Quarter Two 2018/19. There are 187 individual risks entered in the Risk Register, 18 of which are identified as high/'red' risks.

The Cabinet has noted the latest update of the Corporate Risk Register including actions to mitigate the risk areas that are rated 'red'.

## **Resources Report**

28. The Cabinet considered a detailed Resources Report at its meeting in November 2018. The main highlights included the following areas.

29. The conclusions of the Cabinet Member with Responsibility for Finance concerning revenue budget monitoring up to 30 September 2018 have been endorsed by Cabinet. The 2018/19 outturn forecast for the Council's £324m net revenue budget as at Period 6 and progress to date on the savings and reforms programme was reported. A forecast overspend of £8.6m had been identified (an improvement since Period 4 month's forecast of £14.2m overspend). This was on course to reduce further to £5m following the successful completion of a number of management actions to reduce expenditure. It could reduce further following the completion of the current voluntary redundancy scheme. Whilst there was a risk that this may not be achieved in full, this would be managed closely to ensure the achievement of a balanced budget by the end of the financial year. The Cabinet noted the current progress regarding savings plans approved by Council in February 2018 and the additional management savings measures to address the forecast position, in particular that the forecast overspend was reducing.

**Mr S E Geraghty**  
**Chairman**

## **Contact Points**

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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 15 November 2018 and 13 December 2018.