



16 JANUARY 2020

ANNUAL REPORT OF THE LEADER OF THE COUNCIL

1. My Annual Report coincides this time with a range of new beginnings – the dawn of a new decade, a freshly elected Parliament with a majority Government once again and a country reimagining our place in the world and future trading relationships. We also look to be on the cusp of a paradigm shift in technology – with the development of AI, assistive technologies and 5G amongst others – together with a move to reduce our environmental impact.
2. Locally we have seen the successful set up of our wholly-owned Council company Worcestershire Children First taking day to day charge of around £100 million of Council spend and delivery of important priorities around Education and Children’s Social Care.
3. The Council redesign is taking shape with an agreed organisational structure and recruitment underway to fill the remaining top-tier posts. Less noticeable, but just as critical, major investment in new ICT systems and software will support the efficient delivery of services, boost productivity and enable more mobile and flexible working.
4. Working with partners, Worcestershire’s Local Industrial Strategy and 2040 plan will help set the future areas of focus for the County’s economy, support the revisions needed to district- led Local Plans and complement our recently approved Worcestershire Passenger Transport Strategy. In health, similar work is underway through the Integrated Care System (ICS) forum to better shape health and care services, although this is less developed.
5. Now over halfway through the timespan of Shaping Worcestershire’s Future - our plan for the County - and this Council term, it is an ideal opportunity to reflect on progress achieved so far, the plans in place for the year ahead and to horizon scan the challenges and opportunities that lie ahead into the 2020s.

Open for Business

6. A growing and successful local economy is vital for residents and businesses to prosper. It underpins the financial sustainability of this Council too, through the contribution that new homes make to our tax base and the generation of increased revenue from Business Rates. That is why being “Open for Business” is a key priority for this Council.
7. Worcestershire’s economy continues to perform well with our Worcestershire Local Enterprise Partnership and wider business organisations driving forward our jointly agreed objectives set out in the Strategic Economic Plan to create 25,000 jobs, grow the economy by nearly one third (an extra £2.9bn Gross Value Added) and deliver 21,500 new homes by 2025. Excellent progress has been made with 31,000 new jobs added, an increase in GVA of £2bn and the building of 12,980 new homes to date – ensuring Worcestershire remains one of the fastest growing local economies in the country.
8. Worcestershire LEP is on track to deliver the £71.7m of Growth Deal funding awarded since 2015 and the Local Industrial Strategy will be key to drawing down future funding to support the delivery of economic projects from 2021 onwards. Regional partnerships are increasingly playing a role and Worcestershire is actively engaged at board level in Midlands

Engine, Midlands Connect, West Midlands Rail, and we host the North Cotswold Line Taskforce – with a proposed one-off allocation in our draft budget to help progress plans.

9. Our economic 'game changer' programme has created important employment sites – at Worcester Six, Redditch Gateway, Kidderminster and Malvern Hills Science Park – that are attracting significant occupiers and generating new jobs and investment. Last year, the County Council together with Malvern Hills District Council purchased 4.5 ha of land adjacent to the MHSP site and it is anticipated that the development will accommodate up to 25,000 square feet of B1(b) commercial floor space. The vision is to establish this wider Malvern Hills Science & Technology Park as a European-scale science park. The 2019/20 budget made a further allocation to secure the next generation of sites and work is underway to identify the right locations in which to invest.

10. Turning to digital infrastructure, the Superfast Broadband programme has transformed the availability of faster broadband in the County with 96% of premises now able to access 24Mbps+. The programme has been extended as a result of additional funding, including £1 million from Defra, and aims to reach 97% superfast coverage by early 2021. Working with Government the focus will now be on increasing the percentage of 'fibre to the premise'.

11. The Worcestershire 5G consortium successfully built a 5G network across sites in Malvern and Worcester and undertook a series of 'use cases' that demonstrated the potential productivity gains that 5G can bring to UK plc. A number of significant achievements put Worcestershire on the global stage including the first deployment of 5G in an industrial factory setting in the UK, use cases demonstrating productivity improvement estimates of 1-3% and work around 'security by design'. The project has been extended by DCMS.

12. The construction of Worcestershire Parkway is complete and now progressing through the rigorous rail industry "Entry into Service" and assurance processes. This is the first new station in Worcestershire for 100 years and will transform connectivity for rail users. The station will benefit from the new Cross Country and GWR timetable, the latter covering all GWR services across Western England and South Wales, representing the greatest change on the GWR network for over 30 years. Some key services to and from London will take less than 2 hours and passengers will be able to get to Cardiff in 1hr 23 mins and to Nottingham in 1hr 49 mins. Our clear ambition is to access even more services.

13. The Southern Link Road (SLR) is a strategically important link. The planned improvements will result in critically needed additional highway capacity along the SLR leading to a significant improvement in journey times and journey time reliability.

14. The DfT confirmed the award of £54.5m for Phase 4 of the Southern Link Road last year. In terms of physical works, the construction of the new 1.9km road to the south of the current carriageway on the A4440 has progressed with construction of the flood compensation area, new embankment and road bridge foundations well underway.

15. In Bromsgrove, the changes to the A38 Barley Mow Lane junctions have been successfully delivered with progression of the designs for the M5 and M42 elements of the scheme ongoing with Highways England maintaining the plan to commence construction in 2020. The Strategic Outline Business Case (SOBC) for the A38 Bromsgrove Route Enhancement Programme is being considered by the Department for Transport, with Midlands Connect ranking it as one of the top schemes in the whole region. Our application for development funding for the work on the business case has also been successful.

16. Looking to the future, successful finalisation of the Worcestershire Local Industrial Strategy with Government and unlocking the resources via our LEP to deliver future infrastructure, skills and wider economic development projects is key to our ability to deliver the next tranche of major schemes. This in turn is important to support the efforts of our district councils in revising their Local Plans and ensuring appropriate infrastructure is in place to meet the needs of a developing county.

17. We need to play our full part in helping those district councils with Towns Fund and/or Future High Street Fund allocations to further develop proposals to ensure we collectively make the most of those resources. We are also working closely with other counties, through Midlands Connect on the A46 partnership to progress major upgrades to the route and on the Midlands Rail Hub, as well as with the North Cotswold Line Taskforce to unlock a more frequent and better train service.

Environment

18. The quality of the County's environment helps attract visitors, market the County to prospective investors and skilled individuals that our economy needs to support sustainable growth. We have a duty to protect and enhance our natural and built environment. The theme covers our work on moving around the county, dealing with flooding and waste disposal.

19. In December 2018 the Government published their new waste strategy 'Our waste, our resources: a strategy for England'. The Government consulted on the key aspects including implementing consistent recycling services, introducing weekly food waste collections and free garden waste collections. County and district councils responded jointly to this consultation, supporting some aspects but challenging others. As the Government legislates to deliver the strategy, we will work together to respond to the changes needed.

20. Our Energy from Waste plant, EnviRecover, continues to perform well, allowing our contractor to apply for the relevant permissions to enable them to progress up to 15% more waste through the facility each year. Energy from the plant creates electricity for 32,000 homes. Also 44 volunteer 'Let's Waste Less' community champions have been recruited, working to spread the waste prevention message in their local communities.

21. We have continued to complete a range of drainage and flood mitigation schemes to improve our resilience to the effects of flooding and the changing climate. Since 2013, over 460 flood alleviation and drainage schemes have been implemented to mitigate the risk to nearly 2000 homes, businesses and the highway network. During the last 12 months the major flood adaptation scheme at Upton-upon-Severn has been completed, increasing the road's resilience to future flooding. Additional capital funding of £2m (spread over two years) is proposed in the draft budget for further highway drainage and flood mitigation schemes.

22. Our highway provides 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. However, additional capital monies are required to achieve our ambitious target of being in the top quartile in each road class. Therefore we are proposing further investment of £12m capital (spread over the next two years) in local roads in the draft budget. This is on top of our three year Highways Infrastructure Improvement Fund (HIIF) which we agreed in previous budgets.

23. In addition to our core maintenance programme for footways, we previously invested an additional £6m to complete a total of 250 footway schemes. In the forthcoming budget we are proposing a further investment of £8m capital (over two years) to further improve pavements. Maintaining the highway in a good condition is important for everyone whether you walk, cycle, drive or take public transport and this is recognised by the public who consistently rank it as something which is important in our annual Viewpoint Survey.

24. Another key concern that is raised in our Council survey, and is a focus for investment, is cutting congestion. Following our initial budget allocation of £5m we were successful in drawing in £6.6m of Government monies to match fund schemes. Last year's budget allocated a further £5m capital to develop schemes in Evesham and Bromsgrove town centres, Kidderminster and the A38 Upton. In the draft budget I am proposing to double this to £10m to ensure we can deliver schemes in those places and attract further monies.

25. Work is continuing across the County to provide attractive public spaces to support the local retail economy. This builds on the success of Cathedral Square in Worcester, Alcester Street in Redditch, Droitwich High Street, Teme Street in Tenbury and most recently The Shambles in Worcester and Worcester Street in Kidderminster. More schemes are planned in Redditch, Evesham, Stourport and Worcester.

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. The Worcestershire Passenger Transport Strategy has been developed and sets out how the County Council, working with its partners, aims to make passenger transport improvements for the benefit of residents and businesses. The draft budget proposes to invest further revenue in public transport.

27. Over the last year the environment has gained a higher prominence nationally and globally and in response the Government and this Council have adopted a target to be net carbon neutral by 2050. Worcestershire has had an active and ambitious programme for many years to reduce its environmental impact and I know we will rise to this challenge.

28. In the last year alone our sustainability team has secured a range of external funding to support businesses, householders and public organisations in reducing their environmental impact and in many cases enabling them to save money. Around £5.3m of funding has been obtained to take forward advice and grant programmes supporting Worcestershire businesses, and now public sector organisations, to improve their energy efficiency and install renewable energy. Since these programmes began c.400 Worcestershire businesses have been supported - achieving on average a 30% cut in their energy bills, installing nearly a megawatt of renewable energy systems and saving c.4000 tonnes CO2 annually.

29. Following the launch of the Council-led £2.7m Natural Networks programme, 60+ publicly accessible sites across Worcestershire have been assessed and advice and grants given to land owners to improve biodiversity. As a result, we can look forward to more wildflower meadows, naturalisation of water courses, (which also reduces flood risk), as well as tree planting and habitat creation. £1m further funding is in the pipeline to continue the above programmes to June 2023.

30. We have been successful in obtaining c.£300k+ in Government and private sector funding for the installation of public EV charge points, with a further 25 at Parkway.

31. In the draft budget we are proposing to speed up the roll out of energy efficient LED street lighting with a further £2m (over two years), purchase green electricity in the future and embark on a significant project to plant 150,000 trees to create new woodland.

Children & Families

32. Our aim remains to ensure children receive a good education and achieve their potential, move successfully into employment and children & young people are protected from harm.

33. A good education and the right skills are vital to improving the life chances of Worcestershire's next generation. With this in mind, a new Education and Skills Strategy was approved by Cabinet last September. It seeks to ensure every young person is supported to achieve the best outcomes they can in order to fulfil their full potential.

34. Improving the education and skills of our future workforce has a key role to play in sustaining economic growth and creating higher skilled and better paid jobs. It aids social mobility too. Though our role in education has changed we continue to play a vital role in school place planning, home to school travel, SEND assessment and provision and championing good quality education & skills provision – not to forget our voice in lobbying for resources.

35. In terms of current performance, 84% of children in Worcestershire are educated in good or outstanding schools although our aim is for this to reach 90%. Last year over 90% of parents secured an offer at their first preference school for their child. Latest GCSE results show that the percentage of students in the County gaining grades 4 or above in English and Maths has increased.

36. We have done more work on modelling the number of school places required across the County in different age ranges and catchment areas. This has led to revisions to policy to ensure we secure the right contributions and can better plan for future needs. Taking account of projected housing growth, the numbers of children entering reception class between 2018 and 2022 is set to grow by 2.5%, with a predicted need for up to four new first / primary schools. The numbers of pupils entering Year 7 in Worcestershire are forecast to rise, when you include housing growth, by 13.8% up to 2026 - with the need for an additional 9.5FE.

37. Over fifteen months on from our Local Area SEND Written Statement of Action being approved and we are entering the phase where a re-inspection is due. The Local Area, including our health partners and education providers, are preparing for the re-inspection and intend to provide evidence of progress and the impact for children.

38. The growth in funding (2019/20) for the SEND assessment and planning team has enabled the recruitment of additional staff. The impact of this is evident in the 20 week timeline to complete EHC Plans, and the assessment performance has improved from 7% in January to 63% in September 2019. An improved decision-making process has resulted in a reduction in the number of EHC Plans agreed. More of our first time EHC Plans are naming mainstream schools and Worcestershire is no longer issuing a greater number of EHC Plans than other shire authorities or statistical neighbours.

39. Worcestershire continues to invest in programmes to help young people successfully transition from education into employment. The Council supports the drive towards

encouraging apprenticeships, with the Worcestershire Apprenticeships initiative reaching 27,000 young people in 2019. Latest figures show only 2% of all 16-18 year olds are Not in Employment, Education or Training (NEET) in December 2019. Worcestershire has now engaged over 60 educational establishments, including middle and secondary schools and FE colleges, in the Careers and Enterprise Company programme which supports young people to gain a better understanding about future careers and assists local employers in creating their workforce of the future. This programme is recognised as best practice, performing better than any other in the West Midlands and third highest in England.

40. Turning to our work on protecting the most vulnerable children, we retain our vital responsibility as Corporate Parents for children and young people in the care of the Council. Corporate Parenting continues to be a 'strength' but efforts have been made for its further development as we recognise that the effectiveness of partnerships is vital, particularly with district councils and providers of health services.

41. Our improvement plan for children's social care has made excellent progress over the last year and as a result our engagement with Essex County Council as Improvement Partner has drawn to a close. A more stable workforce with permanency rates for front line social workers at 86% has been achieved and average caseloads have reduced to 20. In terms of the numbers of children in care they have stabilised at 70 per 10,000 and for the first time we are now taking fewer children into care than the West Midlands average. Whilst our overall numbers in care remain higher than statistical neighbours or the national average, our direction of travel is a positive one with children getting appropriate support and a renewed focus on edge of care and support for those families who need it most. Our investment in skilled and highly motivated staff and management continues to pay off.

42. Ofsted conducted a full inspection of our children's social care services in June 2019. The report found that Worcestershire is now judged as "requires improvement to be good". It recognised our strong trajectory of improvement since the last inspection, when services were rated as "inadequate". It was noted that "effective work by senior management and staff, together with commitment and investment by political leaders, has led to improved responses to the needs of children and families. As a result, outcomes for many children and their families are better, and there is evidence of a sustained trajectory of improvement." We will continue to focus on improvement work to achieve full consistency in services.

43. Alongside the sustained focus on improvement, the Ofsted inspection and work on SEND, we have successfully set up our new wholly owned council company, Worcestershire Children First. In March 2019, Cabinet approved the size and scope of the company with WCF responsible for delivering education and early help services, alongside social care and safeguarding. The company went live on 1 October 2019 and is operationally independent with its own board of directors. The Company will have a single focus on children and young people; however, strategic objectives and significant decisions will remain with the Council. We retain the responsibility for ensuring safe and effective Children's Services.

44. Looking to the coming year, the draft budget proposes further investment in Worcestershire Children First to support the placements budget, home to school travel and SEND.

Health and Wellbeing

45. Our Health and Wellbeing theme has three key elements: Improving general health and wellbeing, supporting people to live independently for as long as possible and working with health and social care to ensure we have effective and evidence-based services in place.

46. Public health is at the forefront of our efforts to promote healthy lifestyles, embed prevention and reduce health inequalities. A key focus is on childhood, through our health visiting and school health services that deliver key universal prevention services. The Healthy Child Programme includes five key developmental checks of all pre-school children.

47. The Council spends some £28m on Public Health, funded through the Government ring fenced grant we receive, and, alongside mandated services, we are continually looking for innovative ways to achieve the goals set. This includes investing in our Council services.

48. 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.

49. Living independently is more likely if people are actively engaged within their local community. An innovative social prescribing pilot has taken place, 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. The Reconnections service links lonely older people to volunteers and activities in the community. Community strength and balance classes are available to enable older people to develop or regain mobility, strength and prevent falls. Adaptations and repairs continue to be made to homes to reduce falls.

50. Promoting independence is a key aim, as we know that people can live healthier and more fulfilling lives if they retain their independence. To achieve this, Adult Social Care uses a strengths-based approach called the Three Conversations Model. 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 start planning for the future. The evidence demonstrates that people receive a significantly faster response and fewer people need on-going funded support.

51. Even with all these initiatives, Adult Services faces 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. There has also been considerable demand pressure to support those people with disabilities who are also living longer - a fact to celebrate - but with enhanced need.

52. As over 85% of the care provided is purchased from the independent sector, we are looking for more innovative ways of delivering care with that sector, and are now seeking to maximise the potential of assistive technology to enhance people's lives in their own home. We are also working closely with our district colleagues through the innovative 75% Business Rates Retention Pilot. This one-off resource will be spent on projects that have the potential to mitigate the demand or costs of social care services. I am pleased that one of the projects approved to date is a new community reablement service.

53. Collaborative working with health and social care helps to ensure evidence-based and effective services are in place to protect and improve health and wellbeing of our residents, whilst providing value for money. Work is continuing with the Herefordshire and Worcestershire Sustainability and Transformation Partnership (STP). This includes contributing leadership and support to the Integrated Care System and neighbourhood teams across Worcestershire, bringing together professionals including GPs and social workers.

54. Optimal health and wellbeing for the people of Worcestershire requires close working between organisations including social care, public health, the voluntary/community sector and the NHS. An integrated wellbeing model is being developed to join up information and advice, lifestyle and wellbeing support and access to community activities.

55. The long-term funding of social care undoubtedly remains the key challenge and one that will require a nationally agreed solution. In the meantime, I welcome the continuation of the social care grants, the additional funding announced in the autumn for 2020/21 and the proposed continuation for one more year of the Adult Social Care precept that together will enable us to fund the rising costs of social care next year.

The Financial Challenge

56. In my last Annual Report I outlined that Worcestershire, in line with other County Councils, faced significant in-year financial pressures during 2018/19. I was pleased to report at Cabinet in June that we managed this down from a projected £17.9m overspend to one of just over £2m. Whilst it was disappointing to not achieve balance the scale of turnaround achieved in-year should not be underestimated and I would like to put on record my thanks to the entire organisation for the efforts made to achieve this result. Our external auditors at July Audit and Governance Committee were quick to recognise these efforts.

57. Our Annual Statement of Accounts for 2018/19 were signed off on time and unqualified, with a further unqualified opinion on our Value for Money assessment from our external auditors, Grant Thornton. This achievement, when around 40% of councils across the country failed to gain an opinion on time, is noteworthy and a credit to the team.

58. At the same time as managing the position in 2018/19 we were working hard to set the 2019/20 revenue and capital budgets. Active financial management, alongside growing income from Council Tax & Business Rates, enabled us to meet the demand-led social care pressures and invest in the future with £23m of investment in the County's infrastructure.

59. Looking forward we have seen Government announcements, through the Spending Round 2019, that we will receive a significant boost to our funding. We still await precise details but the additional monies are a welcome reflection of the lobbying we have been undertaking alongside our CCN partners. We look set to receive up to an additional £8.5m for Social Care and over £8m for High Needs and SEND. This is a shift in the Government's approach and, alongside the other proposed measures around Council Tax and continuing reform, means we have published a balanced draft budget for 2020/21.

60. Going forward, we will continue to lobby for a new funding formula expected in 2021 that reflects the key drivers of cost and adjusts the weighting for rurality and sparsity. This could help to ensure the sustainability of the services we deliver today for future years.

Our Communities

61. The Council have held face to face conversations with 1,200 residents at the seven public roadshow events that were held last summer. The resident roadshows give people from across Worcestershire the opportunity to share with us their thoughts and opinions. Last year's themes included the Council's investments into major infrastructure projects, adult social care and the creation of Worcestershire Children First. The issues most important and in need of improvement in our viewpoint survey continue to be highways-related; road and pavement repairs, tackling congestion and public transport.

Council of the future

62. Last year I pointed to the need to reimagine what the Council will look like into the 2020s. Council approved in September a new design for the top three tiers of the organisation and the consultation to deliver that structure has been underway. Work continues on the other aspects of the Council redesign with engagement from staff volunteers and partners.

63. We will need to ensure we have a modern and competitive Total Reward framework enabling us to both recruit and retain the workforce of the future to deliver services in the most efficient and effective way. Our workforce priorities will be aligned to embedding a performance and productivity culture. This way we will have the right workforce, with the required skills in the correct roles to deliver priorities.

64. We continue to develop our commissioning capability including a step change in our ability to use Power BI and other technology to provide insight into how best to procure and manage our £500m+ annual contract spend.

65. Over the last year we have commenced the roll-out of a new Windows 10 programme to upgrade all Members and staff from the ageing Windows 7 computers to Windows 10, and help maximise the use of Office 365 and new cloud-based services for greater access to data on the go. Aligned with this is the move to Exchange Online services, moving our physical on-site email services to cloud hosted services.

66. In support of more flexible and partnership working we have also rolled out new Wi-Fi services allowing guests and partners a one-time registration instant logon Wi-Fi service in all of our Wi-Fi enabled buildings.

67. Major investment in a new social work case management system, migrating from Frameworki to Liquid Logic, is taking place and during a pilot of the new system very positive feedback was received from staff about the new software. It enables staff to better access and update case files, enhances productivity and lends itself to mobile and flexible working.

68. Work on the redesign of the organisation will continue this year with key roles to be filled shortly and efforts to fully utilise the new systems and ways of working to deliver productivity gains and genuine efficiencies. We also need to think ahead and explore the possibilities that the next generation of technology will offer.

69. Finally, I would like to thank Cabinet Members, our management team and the wider workforce, as well as all Members of the Council 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
January 2019