

**COUNCIL**  
**13 FEBRUARY 2020****ANNUAL REPORT OF THE CHIEF EXECUTIVE**

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1. The following report reviews the work of the Chief Executive over the last year and provides members with an update on key priorities, actions and achievements in that time and also provides members with the opportunity to seek further clarification where required.
2. I would like to start by thanking all staff working for and on behalf of Worcestershire County Council, striving to ensure residents, businesses and communities receive the services they deem important within a very tightly defined financial envelope. Containing costs and managing demand remains a significant issue but I am pleased to report to members that over the last year the new systems and processes introduced have made this more manageable and the Council's finances are broadly in line with the budget set at the start of the year. Should any use of reserves be required at year end, these will be at a low level and sustainable within the Councils overall financial position.
3. Effective Council leadership requires a strong relationship between the officer corps and elected members. As you will recall this was a key priority for myself and the new senior officers who joined the Council in 2018. Over the last year these relationships have developed well and there is now a strong level of understanding and trust between officers and members leading to clear decision-making, financial planning, organisational redesign and performance management.
4. This year has been dominated by four key strategic priorities:
  - a) Strong financial management and budget stabilisation;
  - b) A full organisational redesign;
  - c) The creation and launch of Worcestershire Children First and the Ofsted reinspection; and
  - d) The introduction of a new digital case management system in both Children's and Adult services.

**Financial management**

5. Strengthening financial management was a key strand of work for the Strategic Management Team (SLT) and the wider management team's agenda in 2019/20. I am therefore pleased to report back today several improvements over the last 12 months, most notably:
  - We managed an original forecast overspend of £17.9m at September 2018 to a significantly reduced year end position of £2 million overspend with sufficient reserves to cover that

- Our 2018/19 Statement of Accounts were one of the first in the region to be produced, and our External Auditors signed them off unqualified and on time. This included no qualification on their assessment of our value for money for the first time in 2 years
- We set a balanced budget for 2019/20 with £20.7 million of saving plans that redirected resources to key priority areas to secure a strong and deliverable budget for the long term
- We have undertaken training for all budget holders and implemented a new reporting tool for them to use (Collaborative Planning – CP). This has extended to our maintained schools
- We have worked closely with Liberata on improvements and improved our working relationship and monitoring of performance
- We set a budget for Worcestershire Children First with clear and costed Support Service Agreements, and we are meeting frequently to monitor WCF's contracted budget
- Our Pension Fund valuation improved significantly due to high performance on our asset management, with the Fund now standing at 92% funded, up from 75% in 2016
- Investment 'pots' – the Fund has implemented alternative investment strategies with differential levels of investment risk with effect from 1 April 2020. The aim is to provide greater control over employers' exposure to investment risk and help stabilise future employer contributions
- We have brought our Internal Audit service back in house and been working hard to manage the number of recommendations outstanding and ensure action to address weaknesses are made. This saw only 22 recommendations relating to Council Services outstanding in December 2019 compared to 89 the previous year
- Our Appointees and Deputies team that look after finances for some of the most vulnerable adults in our County were recognised and accredited by the Government
- We successfully managed the implementation of a social care payments and receipts system (Controcc) alongside the Social Care data system (Liquid Logic) implementation, which has introduced a new payments portal for our providers
- We have strengthened our Finance function with investment in new posts that we successfully fully recruited to first time, including a number of internal appointments.

6. However, despite these achievements there is still more to do, and the Chief Financial Officer - Michael Hudson and his team have several key projects still ongoing, including:

- Centralising and improving the efficiency of the way we pay and collect monies. A pilot exercise in 2019 saw £4 million of debt collected in four weeks. This is being monitored by the Audit and Governance Committee

- Strengthening our Internal Audit function further, building on peer reviews and adopting new ways of working, again monitored by the Audit and Governance Committee
- We are strengthening the process and management of our General Ledger (E5) with a new Systems and Governance team driving improvements in control and reporting
- We are strengthening the governance of our Pension Fund in light of recommendation from the Pension Regulator and the Scheme Advisory Board and we are looking to be a leading light in this field
- We are reviewing the Financial Regulations, schemes of delegation and procedure manuals. This will extend to continued training of budget holders, and a workforce plan for our Finance Team that will include bringing in more apprentices and I am pleased to say we are focused on recruiting from our Worcestershire schools, colleges and university and from our care leavers.

### **Organisational Redesign and Human Resource Management**

7. The organisational redesign has been a major piece of work this year involving all departments at all levels. The fundamentals behind the redesign are to remove operational silos, drive performance and productivity, reform processes to be more efficient and cost effective, and to use digital technology where appropriate to its full potential.

8. The first part of the process has been completed and was reported to members in the Autumn of 2019 and became live in December. A number of new roles were created, and members are currently engaged in the recruitment of staff to the senior structure. Running alongside this process is the roll out of the remaining staffing structures which when complete will lead to a £3m per annum saving. However, restructuring is only the first part of the redesign, to support the leaner structure there also needs to be transformation of our operations and processes. This work is now underway, and the Council is being assisted by C.Co, who are experienced specialists in this field.

9. Within the field of organisational redesign and human resources work has been progressing throughout the year on improving performance, productivity and total reward. The following points illustrate the work completed to date:

- We have moved to 100% compliance with mid-year and end of year ratings submissions for the performance process. This has been coupled with a calibration process looking to move performance ratings to a standard distribution curve. Performance ratings were reviewed at SLT and all relevant DLTs led by the HR Business Partners
- We have continued to embed our core employment policies (Managing Attendance, Conduct, Performance, Grievance etc). These have led to a continued improvement in attendance levels having moved from a projected c10 days average sickness per employee to 7.68 days per employee over the last 12 months. This has returned a significant amount of productivity back in to the business
- Through governance of all matrix agency spend led by the HR Business Partners we have seen a 24% reduction in spend at the end of Quarter 2 (Sept 2019)

compared to the same position 12 months ago. Based on current expenditure/usage we envisage to see an end of year agency reduction of c £.2m over a 12 month period. (Q4 2018/19 £10.5m, predicted Q4 positions 19/20 £8.5m)

- We have continued to focus on recruitment of front-line social workers within Children's Services in Worcestershire Children First. We have met our target of recruiting to 85% permanent front-line practitioner social workers in Children's. As at October 2019 we had 85% permanency based on planned establishment.
- We have developed a Total Reward Strategy which aims to highlight the range of benefits within the employment package that underpins our culture and organisational objectives. It will be held to promote and encourage employee engagement, which in turn will improve performance and productivity. The aim of our future Total Reward Strategy is to ensure we create an affordable, modernised, future fit total reward package with a future focus on employee health and wellbeing recognising the financial context in which the Council is currently working
- We have, following extensive negotiations with our recognised Trade Unions, made proposals on a number of areas relating to our future Total Reward offer. The proposals centre on:
  - Areas of investment around health and wellbeing, total reward statement and a benefits portal
  - A number of scrutiny and governance measures aimed at reducing variable spend
  - A number of contractual changes centred on performance and working hours
- To support true staff engagement we embarked on a series of staff roadshows to discuss the proposals directly with impacted staff. As way of a summary:
  - We spoke to circa 450 people at 12 roadshows across Worcestershire with a further 350 people watching the webcast
  - 2602 employees (unique hits) accessed the Total Reward webpage (i.e. 73% of current headcount)
  - We are currently awaiting the outcome of a trade union ballot on the Total Reward Proposals which is due to conclude in February 2020.
  - Finally, we have launched 'celebrating you', a scheme which is aimed at recognising employees who are going above and beyond in their work. The scheme sees a new category being launched every month with nominations being made by managers/colleagues. These are considered by a panel and I then meet with the three shortlisted winners to recognise and thank them for their work after which they are put forward to be considered for an overall award at a final awards event, scheduled in October 2020. This is a way of recognising outstanding contributions at all levels and allows us to celebrate and highlight the diverse nature of WCC and the great things that staff are doing day to day.

## **Children's Services**

10. 2019 was a positive year for Children's Services. The Council's wholly owned company, Worcestershire Children First, was successfully launched on 1 October. More than 700 staff were smoothly TUPE-transferred to the new organisation, with no negative impact on performance and morale. The Department for Education (DfE) were pleased with the progress made to the agreed timescale.

11. The improvement work in Children's Social Work and Safeguarding got independent and external recognition in July 2019 when Ofsted returned for a full inspection under the new ILACS framework. Ofsted confirmed the services were no longer "inadequate" and graded the service "Requires improvement to be good" with a strong trajectory of improvement. This improvement has been made possible by the success of our workforce strategy that is designed to ensure that the conditions are in place where social work can flourish, and that the organisation is the 'employer of choice' in a very competitive market place. At the end of year children's social work permanency was running at 86%, a significant improvement on the previous year. This results in financial savings from reduction of agency staff as well as ensuring stability of staff to work with children and young people, improving their experience.

12. In October 2019, in line with DfE requirements, the new multi-agency Safeguarding Board arrangement went live with "Worcestershire Safeguarding Children Partnership". The focus of the new partnership is multi-agency quality assurance, protecting children from exploitation and learning lessons from serious cases.

13. In 2019 there was investment in Special Educational Needs and Disabilities (SEND) services as part of the response to the SEND Written Statement of Action from 2018. The development of this workforce in both capacity and practice has resulted in continued improvement this year particularly in the timely completion of the assessment and planning for Education Health and Care Plans (EHCP's). In 2018/19 overall, 30% of EHCPs were completed within the 20 week timescale. In December 2019 100% of EHCPs due to be completed were done so within the 20 week timescale. The latest DfE monitoring visit concluded that we are making good progress with the Written Statement of Action and that previous concerns raised about the continuity of effort during a period of organisational change with the establishment of WCF and key senior personnel change were assuaged at the visit.

14. Worcestershire's Troubled Families Programme has been subject to a Ministry of Housing, Communities and Local Government (MHCLG) monitored Recovery Plan since June 2018. In 2019 the MHCLG confirmed that the programme was back on track and had made significant improvements. The programme is built on improving the coordination and delivery of support and service to families with multiple complex needs through whole family working, multi-agency working and intervening early. At the end of December 2019, 75% of the payment by results programme has been achieved, this is as a result of successful interventions and support with families. The Troubled Families programme will be extended for a further year in 2020/21.

15. In May 2019 Ofsted inspected North Bromsgrove High School following an inadequate inspection outcome the previous year (May 2018). The school has improved to Requires Improvement to be Good. Ofsted reported that since the last inspection "the local authority took rapid and decisive action to secure effective leadership of the school.

Two executive interim headteachers were appointed. From October 2018, one of these became full-time and the second continued to support the school. The local authority further strengthened the leadership of the school by appointing an interim executive board in October 2018. Together with further successful appointments at a senior leadership level and inspired by the two interim headteachers, all leaders share a commitment to an ambitious vision for the school's work. As a result, they have created a culture of tolerance and respect."

16. Children's services' leaders and staff have demonstrated a successful approach to improvement that has delivered positive results during the year. This has provided a foundation for further improved outcomes for the county's children, young people and families in the coming year.

### **Adult Social Care**

17. The establishment of the People Directorate will offer a range of opportunities to maximise the impact the Council can have in relation to a sustainable approach to supportive, sustainable communities that will promote and protect people's health and well-being while supporting them to live independently in their communities.

18. Budget pressures remain a concern as demand continues to rise due to the needs and complexity of those requiring support. It remains the priority of Adult Social Care that the most vulnerable individuals are protected and supported. The full implementation of the 3 Conversation model has seen significant benefits in relation to promoting self-reliance and demand management.

19. We have seen an Acute Hospital System under increasing pressure which has had a significant impact on the level and type of services we provide to support people following a hospital admission. A key objective in 2020 will be to maximise opportunities to actively work with our citizens to avoid hospital admission and promote access to reablement.

20. Following the creation of Worcestershire Children First our 'Community' Services are now located with the new People Directorate. Much of the focus of these services over the past year has been on implementing the necessary changes required to reduce reliance on Council funding. Through our new Libraries Strategy, staff continue to push working closely with partners to use buildings to best effect and deliver services to our residents in a different way. Our Archives and Archaeology service are generating more income than ever, and our Registration Services are responding well to national changes to marriages and civil partnerships. These services continue to collectively support a large number of our residents and I thank all the staff for embracing change.

### **COaCH**

21. A One Worcestershire strategy to raise the profile of the county goes from strength to strength. The Council is working with a growing network of almost 400 private and public sector partners from all parts of Worcestershire to promote the county as an excellent place to live, work and invest.

22. A campaign last autumn to raise awareness of the One Worcestershire initiative was seen by more than 7 million people in London and across the West Midlands conurbation.

23. Worcestershire continues to have one of the fastest growing economies in the country and the Council will continue to work with the Local Enterprise Partnership, the six district councils and our other partners to support the business community.

24. We have continued to make good progress in all areas of digital technology. Our IT service was successfully insourced with no disruption to Council services and is delivering savings and a much more flexible and customer focussed service. A new joint Library Management System with Worcester University was successfully procured and implemented in The Hive and other Council libraries also delivering savings and a modern on-line system for customers and staff. Our Adult Social Care Case Management system has been successfully upgraded to a modern Liquidlogic system which will allow staff productivity improvements through improved mobile working. Our Children's Social Care service in WCF are also on track to be upgraded to Liquid Logic by the financial year end.

25. Our IT infrastructure has been reaccredited to Public Services Network (PSN) standards and our upgrade to the latest versions of cloud-based software (Microsoft Windows 10, Office 365 and Exchange On-Line) are well advanced. We have made additional investment in cyber security and offsite data backup resilience. We are embedding process redesign and technology automation within the principles of our organisational redesign.

26. We have developed a real-time procurement spend tool, to be able to easily drill down into the Council's procurement activity with the supply base, to identify cost saving opportunities. This has enabled the Commercial Team to work with the service areas to contribute towards our in-year savings challenges. Notable achievements include securing a new 5-year fixed price integrated Prevention and Early Intervention contract with the Health & Care Trust; a 5-year fixed price contract for Drug & Alcohol recovery service, lower broadband and mobile phone charges and a new lower cost managed print service.

27. We have worked hard to develop our use of research, data and insight to drive decision-making across the Council. In particular, the requirement for improved access to data for all scrutiny meetings has resulted in the development of a standard set of performance and management information for panels to inform scrutiny activity.

28. In addition in 2019, the Council's research team won the award for "best use of health or social care research" at the annual LARIA (local area research and intelligence) conference awards. The research developed approaches to predict those most at risk of needing Council-funded care who had previously funded their own care (self-funder pickups).

### **Property and Health and Safety**

29. We continue to focus on ensuring our estate is kept safe and complaint with significant investment this year. Staff may have noticed new fire doors and other improvements. ANPR is being introduced at County Hall to help manage our parking

capacity as we know this is important to staff and visitors. The Property team also play their part in the strategic developments of the Council including the establishment of WCF by making the transition from Wildwood to a new working environment in County Hall as easy as possible.

### **Projects and Programme Management**

30. The team have assisted with an incredible variety of change and savings projects including the establishment of WCF, Social Care Case Management implementation, and development of the Library Strategy and associated consultation.

### **Environment Economy and Infrastructure**

31. The Council redesign is taking shape with the new Assistant Director posts beginning to take shape and several specialist roles are in the process of being created to allow technical services to be delivered.

32. Work on the reshape of the Directorate will continue this year with all roles to be filled shortly and efforts to fully utilise new systems and ways of working to deliver productivity gains and genuine efficiencies.

33. Officers continue to successfully root out grant funding wherever possible. Examples include:

- 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
- approximately £300,000 being obtained in Government and private sector funding for the installation of public EV charge points, with a further 25 at Parkway
- a number of Major Infrastructure Projects including the A38 Route Enhancement Programme, Churchfields and the Severnscap Business Plan
- approximately £5,000,000 of additional ERDF funds have been secured that will see the highly successful growth and investment programmes run through to 2023.

34. We continue to be shortlisted for awards, with the Worcestershire 5G Consortium shortlisted for '5G Leadership Awards' at last year's World Communication Awards 2019, having been awarded 'highly commended' in the same category in 2018. The Consortium also won the 'Most Commercially Viable Use Case' at the 5G Realised Awards earlier in 2019. We held onto the title of Council of the Year at the West Midlands Energy Efficiency Awards and were shortlisted for a number and won a number of industry awards for the Battenhall Railway Bridge extension project. We, along with Public Health colleagues, also picked up a commendation at the Royal Town Planning Institute Awards for Excellence in Planning for Health and Wellbeing.

35. The new Worcestershire Passenger Transport Strategy (2019-2030) was adopted last November. This was a significant piece of work for Transport Operations and involved production of a draft Strategy and Consultation with all our stakeholders. We

received circa 2500 responses, all of which were carefully considered to enable a detailed analysis of results. The objectives and timelines in the Project Plan were met and the Strategy was delivered in accordance with political governance processes. This is a great example of a team effort, drawing on individual and team expertise and will provide a clear framework for going forward from here.

36. We have progressed many infrastructure projects involving many disciplines and staff within E&I, the wider Council and beyond, e.g. Project Management, Planning, Environmental, Asset Management, Highways, Network Management and Traffic Management.

37. We also continue to promote and position the county as a place to do business. Sponsorship of festival of innovation that champions innovation across the county and draws business and participants from a growing international reach. Dr Pollock presented the excellence in professional services won by ISO quality service at the Chamber of Commerce awards this year, and Worcestershire firms are continuing to do well in the national awards.

38. Our improvements on Worcestershire's roads continues apace, with 275km of roads being improved in 2018/19. The Highways teams continued to work hard during the Autumn to ensure our roads keep moving.

39. I would also like to say a big thank you to Highways, Flood team, Emergency Planning and other colleagues for their superb efforts in managing the major floods we have had over the Autumn of this last year. Many properties and roads were badly affected on several occasions between late October and December, and the hard work of all involved and our partners in the District Councils and Environment Agency ensured we managed the difficult conditions and kept things moving as much as practicable.

40. Our staff continue to deliver on our diverse range of services. The following gives a flavour of the extent of this:

- 128 Traffic Regulation Order requests received, 122 implemented;
- 2,554 development control applications cases completed
- Regular, planned inspections of 2,700 miles of roads and maintenance of 105,000 highway gulleys and 1,320 grit bins
- 150 miles of improvements to C-class and Unclassified roads, directly benefiting over 12,000 homes and 27,000 residents across the county
- 25,786 street works permits granted, including 18,599 to utility companies
- 29 primary and 15 secondary precautionary gritting treatments across the road network during the 2018/2019 winter service season

41. County Enterprises recently celebrated 40 years in business and marked the occasion by holding an Open Day to showcase and celebrate the work done by its employees. County Enterprises is an engineering and packaging operation run by the Council that provides employment opportunities for people with learning and physical disabilities. Despite challenges to its main markets it continues to progress with ambitious business plan development.

42. It has been a busy and productive year and the above are only a small fraction of the services and outputs the County Council has achieved. I would like to conclude this

report as I started by expressing my thanks to all the staff, managers and Councillors who have made this possible.

## **PAUL ROBINSON**

### **Contact Points**

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### **Background Papers**

In the opinion of the proper officer (in this case the Chief Executive) there are no background papers relating to the subject matter of this report.