

COUNCIL
14 JANUARY 2016**REPORTS OF CABINET****(b) SUMMARY OF DECISIONS TAKEN**

Delivering the Corporate Plan - FutureFit Update

1. The Cabinet has noted the significant progress since 2011/12 of the FutureFit Programme and its achievements through the last 12 months. It has also considered the emerging Corporate Plan: FutureFit 2020 and its four priorities of Open for Business; Children and Families; the Environment and Health and Well-being and the key areas that it will focus on in order to contribute to a prosperous Worcestershire. The programme will also include the themes of commissioning; demand management; a self-sufficient Council, and the operating model. An added focus on partnership working will ensure a clear and dynamic approach.

2. The Cabinet has supported, in principle, the FutureFit 2020 vision, ambition and developing proposals that will fulfil the Council's Corporate Plan, FutureFit, through continued improvement of Council services to Worcestershire's residents and businesses and will contribute to meeting the Government's overall deficit recovery plan whilst achieving the priorities of the Council's Corporate Plan in 2016/17 and beyond to 2020. It has also supported, in principle, proposals intended to deliver £4.5m additional savings per annum and will work with the Strategic Leadership Team to develop further proposals to close the emerging potential financial gap of around £3.4m to balance the 2016/17 budget. The involvement of Scrutiny was endorsed to inform the approval of the revised Medium Term Financial Plan and budget-setting to include, where possible, the identification of alternative ways in which the financial gap could be closed.

3. A programme of communications and engagement with members, residents, businesses, unions, staff and other stakeholders took place over Autumn 2015 whilst proposals were at an early stage and this will enable informed decisions to be taken during the budget-setting process for 2016/17 onwards.

**Demand Management, Prevention Policy and 0-19 Services
Commissioning Plan**

4. Demand for County Council services is increasing and changes in demographics and legislation mean that this trend is likely to continue. At the same time funding for local government is reducing. It is therefore recognised that proactively managing demand for Council services will become increasingly important in the future. The Council has therefore adopted Demand Management as one of its Transformation Themes. The Council's All-age Prevention Policy has been developed with this approach in mind. The Policy will be used to contribute

towards a demand management plan that will focus on a number of themes of prevention. The Cabinet has approved the Policy to replace the Council's current Early Help Strategy.

5. The Cabinet has also approved consultation on the design of a new 0-19 integrated prevention service for children, young people and families, including the use of buildings to provide the service. The service brings together the Council's Public Health and Children's Well-being responsibilities and should be in place by October 2016. The consultation should be completed by the end of January 2016 although there may be a need for further consultation depending on the range and scale of the proposed changes. The Cabinet has authorised the Cabinet Member with Responsibility for Health and Well-Being, in consultation with the Cabinet Member with Responsibility for Children and Families and the Directors of Adult Services and Health and Children's Services, to determine the design of the 0-19 integrated prevention service and the use of buildings to provide it, having regard to the consultation and the Council's statutory duties.

6. The Cabinet has also delegated authority to approve the final specification, tendering and contractual decisions and future use of buildings for the integrated prevention service to the Director of Adult Services and Health in consultation with the Director of Children's Services and Cabinet Members with Responsibility for Children and Families and Health and Well-Being.

West Midlands Rail Devolution

7. The Cabinet has considered proposed governance arrangements for the development and oversight of West Midlands Rail franchise through West Midlands Rail Limited. West Midlands Rail partner authorities had been developing a proposal for increasing local involvement and influence over the local rail services for around two and a half years, in line with Government policy on devolution and evidenced by the benefits experienced elsewhere from local control of rail services. The Cabinet has noted the potential advantages to Worcestershire of joining a consortium of local authorities to influence the West Midlands Rail franchise. It has also approved the proposed governance arrangements for the development and oversight of West Midlands Rail Limited, established as a company limited by guarantee with a Board of Directors appointed from each of the constituent partner authorities for the purpose of providing local democratic strategic guidance for the specification of the new West Midlands Rail franchise being led by the Department for Transport (DfT) during 2017.

8. The Cabinet has approved the County Council joining West Midlands Rail Limited as a member and appointed the Cabinet Member with Responsibility for Highways as a principal Director of the Board of West Midlands Rail. The Cabinet Member with Responsibility for Economy, Skills and Infrastructure will be his substitute Director on that Board, or as subsequently nominated from time to time by the Leader. The Head of Legal and Democratic Services has been authorised to agree and enter into or execute such documents as are necessary to give effect to these decisions.

9. It is intended that West Midlands Rail Limited will in due course enter into a formal partnership agreement with the DfT that will set out the rights and obligations of West Midlands Rail Limited in relation to the award of the new West

Midlands Rail franchise and related matters. That agreement will require approval by a 75% vote of West Midlands Rail Limited's members and will be the subject of a further report to Cabinet/Council. Any member may resign its membership at any time.

Future Arrangements for Worcestershire Shared Services Joint Committee and County Regulatory Services (Trading Standards and Animal Health Services)

10. Council will recall at its last meeting that it agreed to withdraw from Worcestershire Shared Services Joint Committee and approved proposed changes to bring County Regulatory Services currently discharged through Worcestershire Regulatory Services (WRS) (including Trading Standards and Animal Health) back in-house to the County Council. As a hybrid service containing executive and non-executive functions, the original Joint Committee arrangements were agreed by both Cabinet and Full Council. The Cabinet has now considered the proposed changes in those arrangements relating to the executive functions.

11. The Cabinet has agreed that the County Council withdraws from the Worcestershire Shared Services Joint Committee on 31 March 2016 and that the County regulatory functions discharged through WRS, including Trading Standards and Animal Health, are brought back in-house to the County Council from 1 April 2016 or as soon thereafter. Should those County regulatory functions not be brought back in-house on 1 April 2016 then they may be delivered through WRS via a short-term Services Contract until they are.

12. The Director of Business, Environment and Community, in consultation with the Cabinet Member with Responsibility for Localism and Communities, will now negotiate with the Management Board of WRS and other member authorities of the Joint Committee and take all the necessary steps to put the above proposals into effect. This will include giving appropriate notice for withdrawal from the Joint Committee, determining the arrangements and timetable for termination of the current arrangements for delivery and the service being brought back in-house, and agreeing any interim arrangements under a short-term Services Contract and the use of Directorate reserves to support those interim arrangements.

Worcestershire County Council Renewable Energy Strategy and Renewable Energy Research Paper

13. As a major user of energy, a major landowner and a potential investor, the County Council is well-positioned to capture the economic, social and environmental benefits of renewable energy. To deliver the FutureFit commitment to "a clear and consistent approach to the use and application of renewable energy in the county", a Renewable Energy Strategy has been prepared which sets out the authority's position on developing renewable energy, either alone or in partnership with others. Alongside the Strategy, a Renewable Energy Research Paper has been produced to provide more information on the benefits of renewable energy and what development of renewables could mean for Worcestershire.

14. Public consultation had been carried out on both the Strategy and Research Paper and in response various amendments had been made to both documents.

The Cabinet has adopted the Worcestershire County Council Renewable Energy Strategy and endorsed the Worcestershire County Council Renewable Energy Research Paper.

2016-17 Budget and Council Tax

15. The Cabinet has considered proposals for the 2016-17 Budget and Council Tax. The draft budget proposals had been made in the context of significant financial challenge for the increasing demand for Council services in a number of areas. The Council is five years into a programme to transform itself into an innovative organisation that puts residents' priorities at the heart of the decisions it makes. New ways of working have been introduced and the Council is now more agile and responsive to residents' priorities whilst facing the challenges of maintaining a balanced budget.

16. The net expenditure budget for 2016/17 set out a provisional budget requirement of £327.8 million and an indicative funding gap of £2 million. Proposals to strengthen the base budget have been put forward. The impact of the full detail of the provisional Local Government Finance Settlement announcement (expected in late December 2015) will be worked into the draft budget with the intention of closing the funding gap in time for the February 2016 approval of the budget by Council. Revenue Support Grant is expected to reduce evenly to an income of £10.9 million for 2019/20 so that by 2020/21 it will be nil. Business rates are expected to rise in accordance with the Retail Price Index each year and income from Council Tax will gradually fund a greater proportion of the Council's budget in the future.

17. The Cabinet has approved the draft budget for consultation which includes budget reductions that are currently being consulted upon arising from the FutureFit programme, a number of which have already been subject to detailed Cabinet and Scrutiny reports. It has endorsed the plan to address a savings requirement of £2 million as a result of updating the Medium Term Financial Plan (MTFP), taking account of central Government's Spending Review announcement to be presented for approval within the February 2016 Cabinet and Full Council reports. The Cabinet has also endorsed an investment of £0.5 million each year for road maintenance and £12 million over two years for the Driving Home highways infrastructure improvement programme following feedback from residents and in support of the Council's Open for Business priority.

18. The Cabinet has endorsed the view that the Council's planning assumptions remain consistent with a need to plan for annual savings on average over the life of the MTFP of around £25 million per annum, and £24.6 million for 2016/17. It has also agreed that it is minded to recommend to Full Council in February 2016 an increase in Council Tax Precept by 3.94% in relation to 1.94% to provide financial support for services for Looked After Children (forecast to be £5.8 million in 2016/17) and 2% ring-fenced for Adult Social Care services, as allowed by the Spending Review, to contribute to existing cost pressures in 2015/16 (presently funded by one-off grant income or reserves that will not be available from 2016/17.)

Resources Report

19. The FutureFit savings programme target for 2015/16 is £27.5m. At the end of September 2015, £20.8m had been either delivered or confirmed as on target. Around half the remainder is at risk of delivery during the current financial year and work to mitigate this risk continues. The Cabinet has considered the revenue budget monitoring 2015/16 outturn forecast as at 30 September 2015. The overall financial pressure was £3.1m, a reduction of £2m since the previous month. Work will continue to keep the budget within the overall £326m cash limit. The Council's capital expenditure at 30 September 2015 totalled £54m compared with a revised expenditure profile of £180.2m. The Cabinet has also received an update on the Council's Treasury Management activities for the first half of the financial year. Details of the borrowing and lending transactions undertaken confirm that the management of debt and short-term investments continues to be cost effective.

Balanced Scorecard - FutureFit Performance and Corporate Risk Update

20. The Cabinet has considered an overview of performance for the Corporate Balanced Scorecard for Quarter Two 2015/16. Currently there are 46 indicators reported in the Scorecard. 17 of these are rated 'green' representing good performance or progress and 11 are rated as 'red'. Of the red indicators performance on four has deteriorated during the quarter. The Cabinet has noted the latest update of the Corporate Balanced Scorecard for Quarter Two 2015/16 and considered the actions being taken to improve performance for the four indicators rated 'red' where performance has deteriorated.

21. The Cabinet has also considered the latest refresh of the Corporate Risk Register. The Register provides a mechanism for collating and reporting strategic risks that could affect the delivery of corporate objectives. Transformational risks which were previously included in the report are now presented to the Corporate Business Board. In Quarter Two 2015/16, one risk on 'demographic changes lead to changed demand for services' is rated as 'red'. The Cabinet has noted the latest refresh of the Corporate Risk Register including actions to mitigate the risk rated 'red'. As the Council embeds its new Operating Model it is an appropriate point to review how well current risk management processes are aligned with this. The outcome and any proposals will be reported in the Quarter 4 update.

Mr A I Hardman
Chairman

Contact Points

County Council Contact Points

County Council: 01905 763763

Worcestershire Hub: 01905 765765

Email: worcestershirehub@worcestershire.gov.uk

Specific Contact Points for this report

Nichola Garner, Committee and Appellate Officer

Tel: 01905 766626

Email: ngarner2@worcestershire.gov.uk

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 papers for the meetings of the Cabinet held on 19 November 2015 and 17 December 2015.