

## **Cabinet – Appendices Pack**

**Thursday, 25 June 2020, 10.00 am, Online only**

**Membership:** Mr S E Geraghty (Chairman), Mr A T Amos, Mr A I Hardman,  
Mr M J Hart, Mrs L C Hodgson, Ms K J May, Mr A P Miller,  
Dr K A Pollock, Mr A C Roberts and Mr J H Smith

### **Agenda**

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### **NOTES**

- **Webcasting**

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Agenda produced and published by Abraham Ezekiel, Assistant Director of Legal and Governance, County Hall, Spetchley Road, Worcester WR5 2NP

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**2019 /  
2020**

**Annual Financial Report  
and Statement of  
Accounts**

**Worcestershire County Council**

# **Worcestershire County Council Annual Financial Report**

## Leader's Introduction

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The 2019/20 financial year has been very busy for the Council which has seen us manage our finances closely whilst at the same time progressing key changes within the Council and importantly delivering significant investment in services and infrastructure to support the most vulnerable in our society, improve the County's transport network and provide vital impetus to promote economic growth and job creation.

The County was faced with significant disruption from Storms Ciara and Dennis and rose to the challenge of keeping people safe, minimising the impact on daily lives and supporting those communities affected.

The COVID-19 pandemic started to impact on the Council during the middle of March and had only a minimal financial effect during 2019/20. The Government has been quick to distribute funding to local councils and with our health colleagues, other local authorities, and emergency service partners we are leading the recovery response for the County area. This on-going crisis, however, will continue to be a significant challenge for us during 2020/21.

During 2019/20 there have been several significant improvements as we continue to deliver our Corporate Plan Shaping Worcestershire's Future.



We have successfully set up of our wholly owned Council company Worcestershire Children First taking day to day charge of around

£100 million of Council spend and the delivery of important priorities around Education and Children's Social Care.

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. Our investment in skilled and highly motivated staff and management continues to pay off.

We have seen our Education performance standards improve with 84% of children in Worcestershire 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.

The Council redesign is taking shape with an agreed organisational structure and we have successfully recruited to our remaining top-tier posts.

Worcestershire's economy continued 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 was made with 31,000 new jobs added, an increase in Gross Value Added of £2bn and the building of 12,980 new homes to date –

ensuring Worcestershire remained one of the fastest growing local economies in the country. Covid-19 and the economic impact as a result of the lockdown will undoubtedly be a significant challenge for this coming year.

With regard 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 £1million from Defra, and aims to reach 97% superfast coverage by early 2021.



We have built and opened the first new rail station in Worcestershire for 100 years which will significantly transform connectivity for rail users. Worcester Parkway has enabled key services to and from London that 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 now is to access even more services.

We have also been investing in our road infrastructure. The Worcester 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.

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.

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.

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. 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.

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 for this year.

Alongside our response and recovery to COVID-19, 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.

Looking forward to 2020/21, we will be continuing our Covid-19 response & recovery actions alongside working with Central Government around funding arrangements. Our Corporate Plan remains a key focus as it is now more important than ever to encourage a strong local economic recovery, support vulnerable adults and children and help our residents and service users to return to a normal way of life.

**Simon Geraghty**  
**Leader of**  
**Worcestershire**  
**County Council**



## Chief Executive's Introduction

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My second year as Chief Executive has seen the Council deliver structural change whilst at the same time being faced with the significant challenges through safeguarding life and property as a result of Storms Ciara and Dennis, and then as a workforce facing a complete realignment of working practices as a result of COVID-19.

I would like to thank all staff who have worked tirelessly throughout the year under difficult circumstances making a real difference to people's lives.

2019/20 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.

### **Strong financial management and budget stabilisation**

2018/19 saw the Council face significant financial pressure mitigated by the successful implementation of a number of savings measures. Building on this strength 2019/20 financial performance has remained strong with expenditure coming in on budget to within £0.3 million (0.1%).

Behind this we have strengthened the finance team and upskilled budget holders and spend managers give them more access to self-service finance reports.

### **A full organisational redesign**

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.

The first part of this process to implement the top tier and Assistant Directors has been completed whilst we have been reviewing remaining staffing structures which when complete will lead to a £3m per annum saving.

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 main 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.
- 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 into the business



- 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.

### **The creation and launch of Worcestershire Children First and the Ofsted reinspection**

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.

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.

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.

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.

### **The introduction of a new digital case management system in both Children's and Adult services**

We have successfully implemented our new social care case management system Liquidlogic for both the Council's Adults Social Care staff and Worcestershire Children First's Children's teams. This new system will bring staff productivity improvements through improved mobile working.

## **Flooding**

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 that began 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. The later floods in February and March again saw these teams working very hard to keep the County's people safe and the roads clear.

## **COVID-19 Initial Recovery**

The Council has a clear role in support public health and the COVID-19 pandemic has created a significant challenge that will last for many months to come. The work of the staff and Councillors to date has been fantastic, working with partner agencies at the forefront of support. I am so proud of all that we have accomplished in such a short period of time.

As a workforce we have adapted fantastically to new working arrangements, for many staff keeping vital services continuing whilst for others there are many examples of volunteering in other roles such a support food parcel delivery or staffing our Here to Help service.

The Government has given us funding to see us through the first quarter of 2020/21 and we are working closely with MHCLG and the County Council's Network to model our future needs and to make sure we maintain financial stability and service provision.

Whilst it is very difficult to forecast what the total impact will be on the Council's service provision, we are working on what the future will look like and through the summer will be reviewing our Medium Term Financial Plan.

I am confident that our strong workforce and all our organisational redesign work will means we have an excellent operational base to move forward and continue to deliver our Corporate Plan objectives.

**Paul Robinson**  
**Chief Executive**



## Chief Financial Officer's Narrative Report

Worcestershire is a County with a proud heritage. Home to over half a million people, with a mix of urban and rural communities, and a thriving economy. The County Council, like its peers and public sector partners, continues to deal with a significant increase in demand for and cost of our services, most of which relates to social care. Through good financial management the County Council continues to set and deliver a balanced budget, whilst also improving its performance in key areas.

Despite significant challenges in 2019/20, the County Council delivered a small overspend of £0.3 million against its £330.4 million budget and achieved planned savings of £15.8 million. Through robust financial monitoring and prompt management action, we have ensured that additional costs arising from our response to flooding across Worcestershire at the beginning of 2020 and the current COVID-19 pandemic which started to have financial implications during March 2020, have not had an adverse impact on the outturn position at 31 March 2020. The outturn position by directorate is given below:

| Service area             | Budget<br>£m   | Outturn<br>£m  | Variance<br>£m |
|--------------------------|----------------|----------------|----------------|
| People – Adults          | 125.870        | 127.413        | 1.543          |
| People – Communities     | 21.165         | 20.255         | -0.910         |
| People – Public Health   | 2.389          | 2.471          | 0.082          |
| Children's Services/WCF  | 95.488         | 96.037         | 0.549          |
| Economy & Infrastructure | 55.749         | 54.766         | -0.983         |
| Commercial & Change      | 6.392          | 5.912          | -0.480         |
| Finance/Corporate Items  | 32.449         | 29.042         | -3.407         |
| Non-Assigned             | (6.865)        | (3.000)        | 3.865          |
| Budgeted Use of Reserves | (2.247)        | (2.247)        | 0              |
| <b>Total</b>             | <b>330.390</b> | <b>330.649</b> | <b>0.259</b>   |

The Council's main cost pressure during the year arose on Adult Services where the £126 million budget was overspent by £1.6 million (1.3%), which was offset by underspends of £1 million on Community Services and £1 million on Economy and Infrastructure services.

School Balances overall reduced during the year to a net surplus of £1.4 million, although the net position includes £9.3 million of schools in deficit. School's funding therefore remains an area of concern and the Council and Worcestershire Children First are working to support schools in achieving their financial plans as well as lobbying Central Government. The non-schools Dedicated Schools Grant (DSG) will carry forward a deficit of £6.2 million and this will be carried forward and offset against future DSG income.

Following storms Ciara and Dennis earlier this year, the Council set up a Worcestershire Flood Support Scheme and allocated £250,000 to support those most affected. The Council's own expenditure totalled £1.5 million and we are reclaiming £0.9 million of this under the Government's emergency fund – the Bellwin Scheme.

The COVID-19 pandemic started close to our financial year end and thus for 2019/20 it has not had a major financial impact, with expenditure totalling £0.4 million over the last two weeks of the financial year. On 27 March 2020 the Council received £14.9 million (being the first part of a total of £25.5 million given to the Council) to support costs and unspent monies will be carried forward for use in 2020/21. The Council has since been given additional Infection Control funding to forward to social care providers and is able to reclaim monies from the NHS to support hospital discharges.

We continued to make progress against our key financial service performance indicators throughout the year; the time taken to collect our debt has improved in 2019/20 with 98% collected in 90 days, compared with 97% in 2018/19, following a focused review of our income management processes. The centralisation of income management, with standardised income raising and debt collection procedures, agreed as part of our Finance Improvement Programme and the allocation of additional resources will ensure that this improvement is sustained in 2020/21. However, the time taken to pay creditors has slipped in 2019/20 with 96% of creditors paid within 30 days of invoice date, compared with our 2018/19 performance of 99%. We are in the process of reviewing and strengthening our Financial Transaction team and will continue to review this target.

We have taken appropriate measures to ensure the valuation of our assets and investments are robust, noting that they are subject

to a degree of uncertainty considering the current financial climate as a result of the COVID-19 pandemic. This equally will apply to our Pension fund investments. With regard to our debtors in light of COVID-19 we have increased our Provision of Bad Debts by £1.4 million to £3 million taking into account the financial challenges faced by individuals and businesses at this time. We will continue to review this in 2020/21.

Looking forward, there is considerable financial uncertainty regarding the impact of COVID-19, the length of time this will impact our services, our income and funding levels, the strength of our service providers and partners, and not least our own staff as we manage recovery.

In many respects, we are acting as agents for Central Government working with partner agencies managing the response to the COVID-19 crises at a local level and as such we continue to work with Government to reclaim costs and lost income. Funding so far that has come forward from Government has been quickly distributed to where it is needed most. The majority of the financial impact will occur in 2020/21 and the following year, and we will be revising our Medium-Term Financial Plan as matters continue to emerge.

Finance staff continue to work closely with our service partner Liberata and our external auditors Grant Thornton to improve performance to ensure a robust close-down process and produce the statutory accounts within statutory deadlines, and I express my thanks for their hard work.

As the financial pressures and funding uncertainties facing councils increase, it is imperative that we continue to put financial strength and competence at the heart of all decision making to deliver an innovative, strong, resilient and sustainable financial performance. The qualified finance team has been significantly strengthened during 2019/20 as we have made progress and driven change through our Financial Improvement Programme. We will continue to manage this programme and report to our Audit and Governance Committee on a regular basis.

Further in-depth highlights of the 2019/20 Statement of Accounts are contained in the Finance and Performance Review section below.



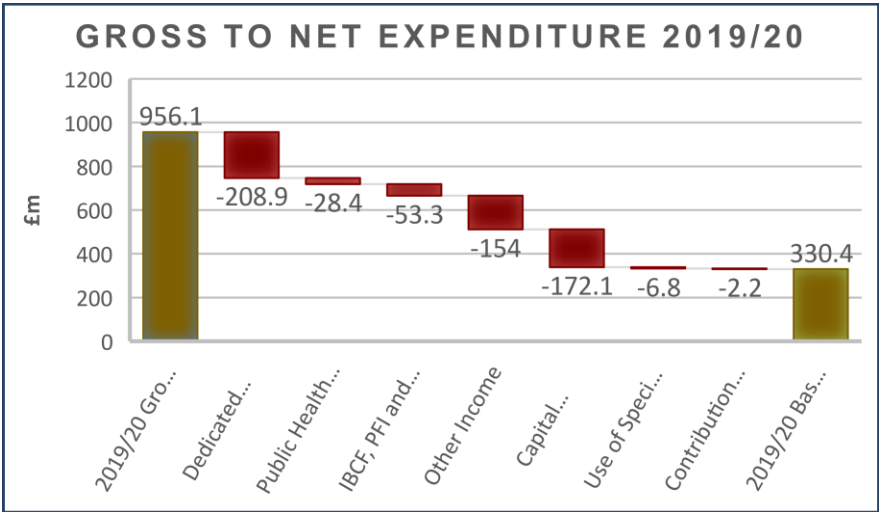
**Michael Hudson LLB (Hons), LLM, CPFA**

Chief Financial Officer

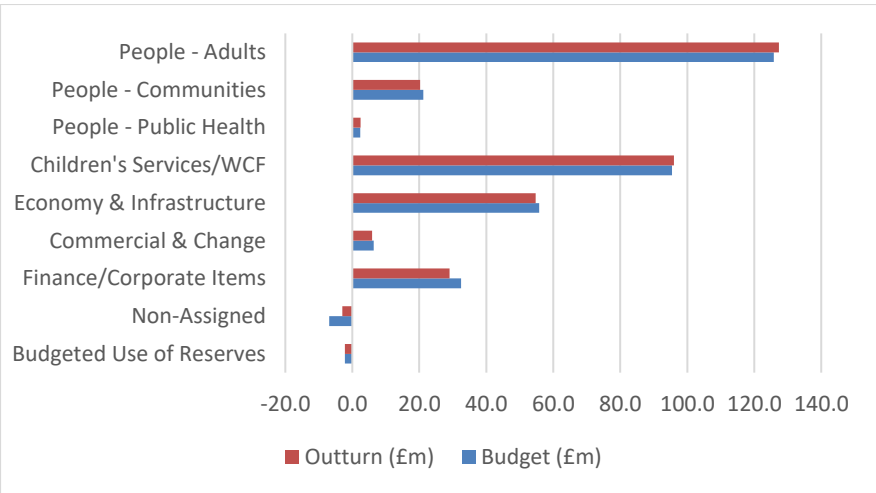
# Finance and Performance Review

## 2019/20 Financial performance

The County Council net budget for 2019/20 was £330.390 million. The breakdown of gross to net expenditure is shown in the graph below:



In line with budget monitoring throughout the year the County Council overspent it's £330 million budget by £0.3 million (0.1%) in 2019/20, with pressures in People, Children's Services and Finance, HR & Chief Executive being offset by underspends in Economy and Infrastructure and Commercial and Change Services. The graph below gives details of the outturn position by directorate.



Significant management action has been undertaken in year to manage cost pressures in addition to delivering savings of £15.8 million. The key financial and performance for each directorate is drawn out in the following paragraphs.

### People Services - Adults

As reported and forecast during 2019/20 the Adult Social Care budget ended the year overspent, although the level was better than predicted with a £1.6 million overall pressures across all areas of social care. A particular factor was the increased activity and unit price of nursing placements in the Older People service saw £4.6 million more spent than the original budget. The use of grants, changes to income, service delivery and vacancy management have enabled managers to offset some of these



pressures. The 2020/21 budget has again sought to redirect resources to rebalance these budgets.

### **People Services – Communities**

The Communities budget returned a £0.9 million underspend largely as a result of increased grant and registrars income.

### **Children's Services**

Children's social care placements demand and costs continued to increase in 2019/20, resulting in an overspend of £0.5 million which relates largely to costs pressures in the Home to School/College Transport budget. This is a significant improvement on the previous year. We continue to monitor the increased demand and underlying pressures on transport services through a technical working group, led by the Head of Finance.

The increasing cost of high needs provision has placed significant pressure on the Dedicated School's Grant (DSG) funding as well as the Council. The overall DSG deficit at 31 March 2020 is £6.2 million and this will be carried forward against future DSG income. The Council continues to work with schools to optimise pressures within funding, whilst lobbying Central Government for the issue to be addressed nationally.

### **Economy and Infrastructure**

The directorate has delivered an underspend of £1.0 million (1.8% of its budget), with a significant proportion of this relating to underspends of £0.6 million in Streetworks services with delays in projects; and £0.4 million underspend achieved by a reduced volume of concessionary fares payments.

### **Commercial and Change**

Following close management action to contain expenditure, the Directorate has delivered an underspend of £0.5 million (7.5% of its budget) as a result of management action in holding vacant posts across a number of areas, reduced asset management spend and achieving contract savings.

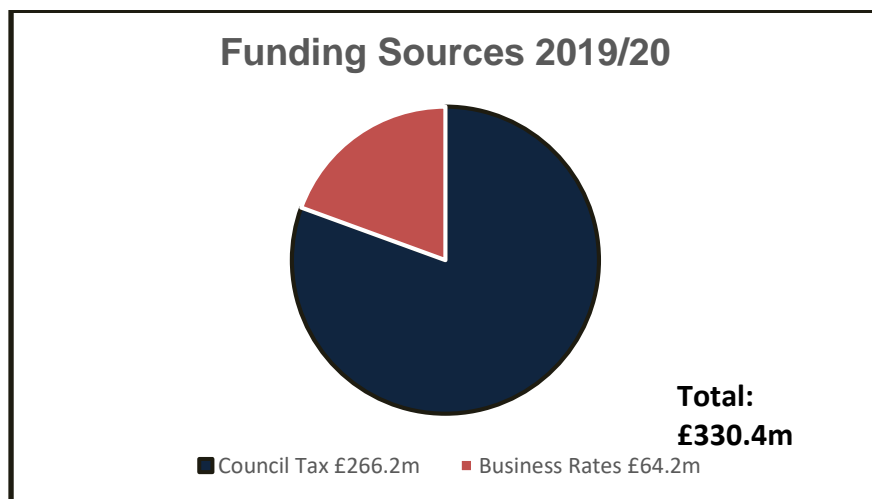
### **Finance, HR & Chief Executive**

Finance and Corporate budgets achieved an underspend of £2.9 million mainly as a result of reduced borrowing costs from prudently managing cash balances, withholding expenditure from the Council's contingency budget, and reduce employer's pension costs.

The corporately held savings target of £6.9 million for Organisational Redesign and Commercial Savings has been partially offset by a one-off withdrawal of £3 million from the Financial Risk Reserve, with the balance of £3.9 million reported as an overspend. The 2020/21 budget has been updated to reflect those savings that can be delivered in that or future years.

## Funding sources

The Council's core revenue expenditure was funded by a combination of locally raised funds and resource allocated from central government.



The Council Tax Band D equivalent was set at £1,260.75, which includes £90.83 relating to the ring-fenced Adult Social Care precept.

Services also receive funding from specific grants, contributions and fees and charges. Key grants are the Improved Better Care Fund, Public Health Ring-fenced Grant and Dedicated Schools Grant. The terms and conditions of these grants vary, and the funding may be non-recurrent.

## Impact on the Council's Assets and Liabilities

The value of our property plant and equipment has increased by a net £18.1 million in 2019/20. We have disposed of £30.9 million

of assets, including 8 schools which have converted to academy status during 2019/20 resulting in a £16.3 million reduction to the Council's assets at nil consideration.

We secured £9.7 million of capital receipts which have helped us manage our borrowing requirement and fund transformation. At the same time, we are reporting a further £7.6 million of assets held for sale (note 15.8 Non-operational assets). Of these a quarter of the value is linked to the disposal of a former school asset which has planning permission for a new adult's residential home which will increase capacity for care in the County.

The County Council's pensions liabilities have decreased by £42.9 million. Of this, £27.4 million relates to an actuarial gain from changes in financial assumptions surrounding discount rates and CPI inflation; in line with actuarial assumptions.

Whilst we have seen an improvement in performance in debts collected within 90 days, we saw the average time to collect a debt slip from 39 days to 55 days in 2019/20. Progress is underway, as part of our Finance Improvement Programme, to improve our income management and debt collection processes and we continue to work with our strategic partners, with support from colleagues in legal services, to facilitate the efficient resolution of queries in respect of debts that are over 30 days old. We are also now reporting collection rates and progress on a quarterly basis to the Audit and Governance Committee. In response to changes in the aged profile of debtor balances at 31 March 2020, we have increased our impairment allowance by £1.4 million: trade debtors by £0.9 million with a further £0.5 million increase in respect of Adult Social Care debt. The County Council has considered the



impact of the COVID-19 pandemic upon the recoverability of debtor balances at 31 March 2020 and has applied a professional judgement to increase the bad debt provision in 2019/20 by 25% to reflect the additional risk.

Whilst performance in respect of our time to pay creditors continues to be high (96% of all creditors paid within 30 days), we continue to review creditor payment terms to secure savings where we can negotiate reduced costs. Overall the increase of our trade creditors at 31 March 2020 by £12.6 million is mainly related to the timing of equalisation payments to District Councils in respect of the Business Rate Retention Scheme.

Our earmarked and other usable reserves have increased over the year by £9.5 million to £144.4 million. This reflects the financial position of the County Council in the year, with directorates drawing down amounts put by in previous years to support service delivery offset by corporate savings through lower Minimum Revenue Provision costs allowing savings to be added to the Financial Risk Reserve. Further detail is given below.

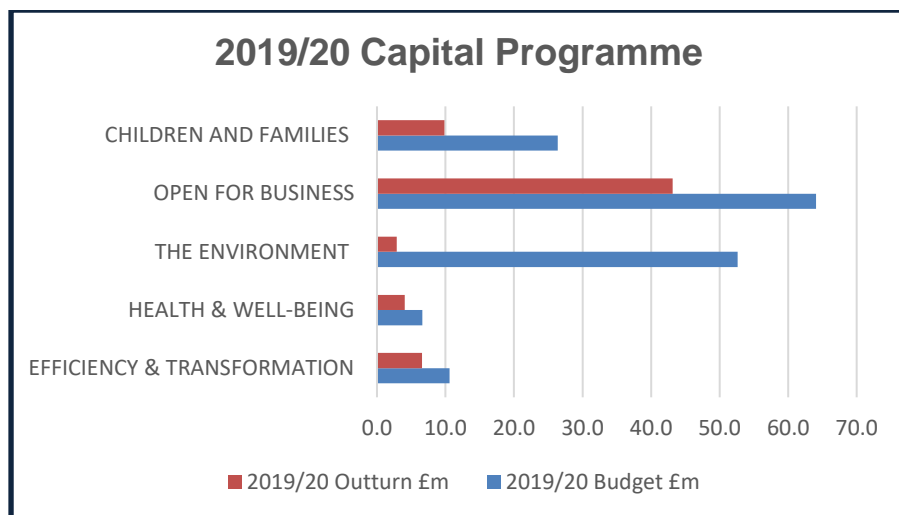
### Financial risks and our reserves

Over recent years, our trend for underlying cost pressures and extensive use of specific grants and other reserves has significantly reduced our earmarked reserves although that trend is reversing. Our General Fund Reserve balance at 31 March 2020 was unchanged at £12.2 million. Looking forward, the total resources available are £76.3 million, as noted in the table below:

|                               | Balance<br>at 31<br>March<br>2019 | Transfers<br>out | Transfers<br>in | Balance<br>at 31<br>March<br>2020 |
|-------------------------------|-----------------------------------|------------------|-----------------|-----------------------------------|
|                               | £m                                | £m               | £m              | £m                                |
| Directorate Reserves          | 28.7                              | -14.9            | 15.1            | 28.9                              |
| Grant / Funding Reserves      | 13.8                              | -5.5             | 5.4             | 13.7                              |
| Corporate Funding / Insurance | 21.6                              | -14.3            | 21.8            | 29.1                              |
| Schools / DSG Reserves        | 4.9                               | -12.8            | 3.0             | -4.9                              |
| PFI Reserves                  | 12.5                              | -7.8             | 4.8             | 9.5                               |
| <b>Total</b>                  | <b>81.5</b>                       | <b>-55.3</b>     | <b>50.1</b>     | <b>76.3</b>                       |

### Capital Programme

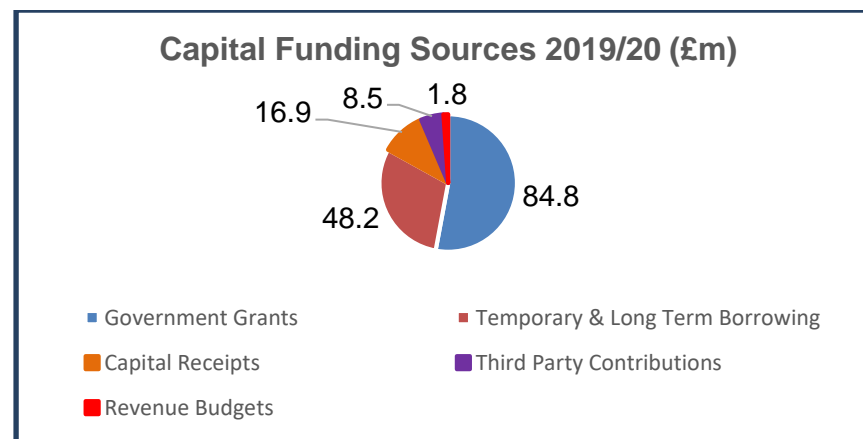
The capital programme for 2019/20 to 2021/22 and beyond totals £338.6 million, with £160.7 million in 2019/20. Expenditure is most significant in the Economy & Infrastructure Directorate which includes infrastructure support for Open for Business priorities.



Key schemes supported during 2019/20 are:

- Southern Link Road Dualling
- Worcestershire Parkway Regional Interchange
- Kidderminster Rail Station Enhancements
- A38 Bromsgrove
- Social Care Case Management System Replacement – Liquid Logic

Funding for capital schemes comes mainly from government grants, usually for specific developments, and borrowing, as shown below:



### Impact on Treasury Management and cash flow

Our short-term borrowing has reduced by £18.0 million whilst our long-term borrowing has increased by £26.6 million. This reflects our strategy of reprofiling our borrowing. All of our Treasury Management activities are reported separately and regularly to Cabinet and Council. All transactions have been completed in accordance with our Treasury Management Strategy for the year.

## Delivering the Corporate Plan

The Council's 2017-22 Corporate Plan – Shaping Worcestershire's Future, sets a clear vision and four distinct priorities for the organisation and wider partnership to focus on delivering. This is set out alongside a revised way of working, move towards financial self-sufficiency and encouraging those individuals, families and communities who can to do more for themselves, enabling limited resources to be targeted on protecting the most vulnerable in society. Regular public engagement has consistently highlighted the following important aspects to consider when allocating resources:

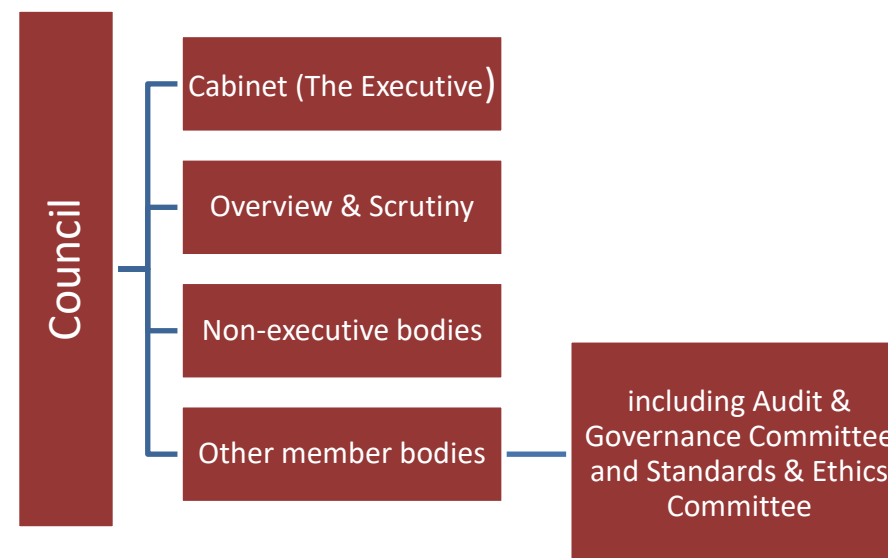
- Safeguarding vulnerable young people, particularly those in or leaving care to ensure they are safe and can make the most of the opportunities they have
- Protecting vulnerable older people, particularly those with physical, learning and mental health difficulties
- Maintenance of the highway.

### Political structure

The County Council is run by 57 elected Councillors who are responsible for making sure that the services we provide meet the needs of residents and those who work in the county. They do this by setting the overall policies and strategies for the County Council and by monitoring the way in which these are implemented.

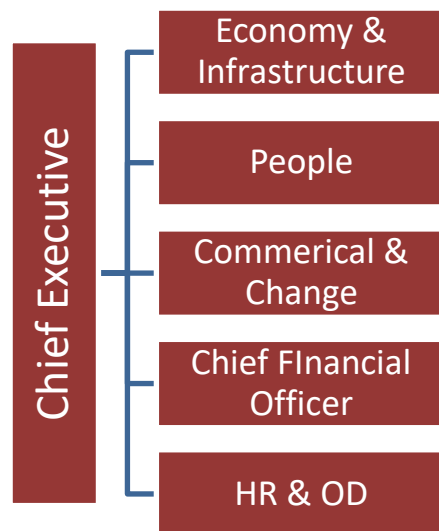
Full Council meetings are held regularly throughout the year. Council is responsible for agreeing the main policies and priorities for all services, including the County Council's budget. Cabinet is

responsible for most day to day Council decisions. The Leader of the Council, Simon Geraghty, appoints councillors to the Cabinet and these Cabinet members have specific areas of responsibility. There are currently nine members of Cabinet. Cabinet makes its decisions in line with overall policies, priorities and budget. All of its decisions are made in accordance with governance arrangements and details of Cabinet meetings are available at the following: [Browse meetings - Cabinet - Worcestershire County Council](#) The work of Council is supported by a number of other committees:



Further information about the County Council's governance arrangements can be found on the County Council website [www.worcestershire.gov.uk](http://www.worcestershire.gov.uk), in the Council, Democracy and Councillor Information section and in the Annual Governance Statement which forms part of this document.

The County Council is operationally managed by the Strategic Leadership Team, comprising the Chief Executive, directors from the 3 directorates and the Chief Financial Officer.



## Looking ahead and going concern

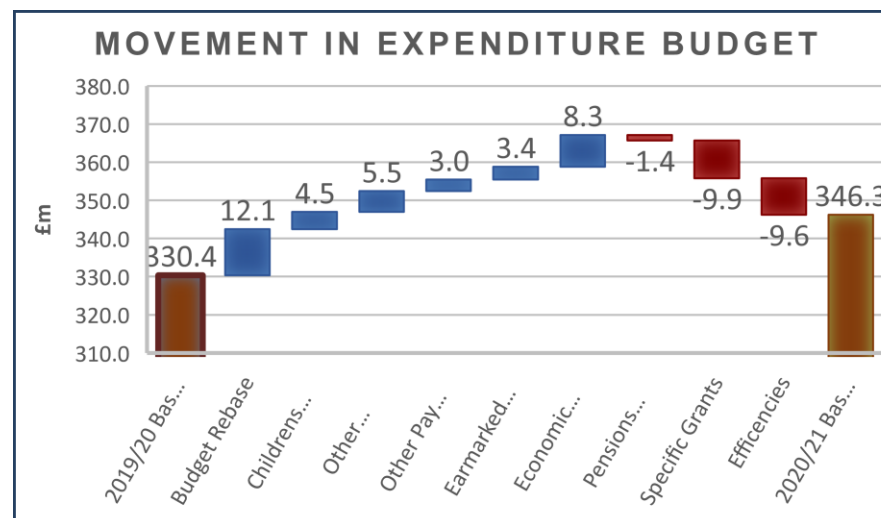
The 2020/21 budget was approved at Council on 13 February 2020, with the detailed proposals presented to Cabinet on 30 January 2020.

This budget and Medium Term Financial Plan was approved before the COVID-19 crises and therefore will need to be reviewed and updated taking into account all Central Government funding to support response activity, together with the impact of additional expenditure and risk of lost income. A review of the Medium Term Financial Plan will be undertaken at the same time. However, at this stage we are assuming that the majority of our costs and lost income will be funded by Government and there will be limited draw on our reserves.

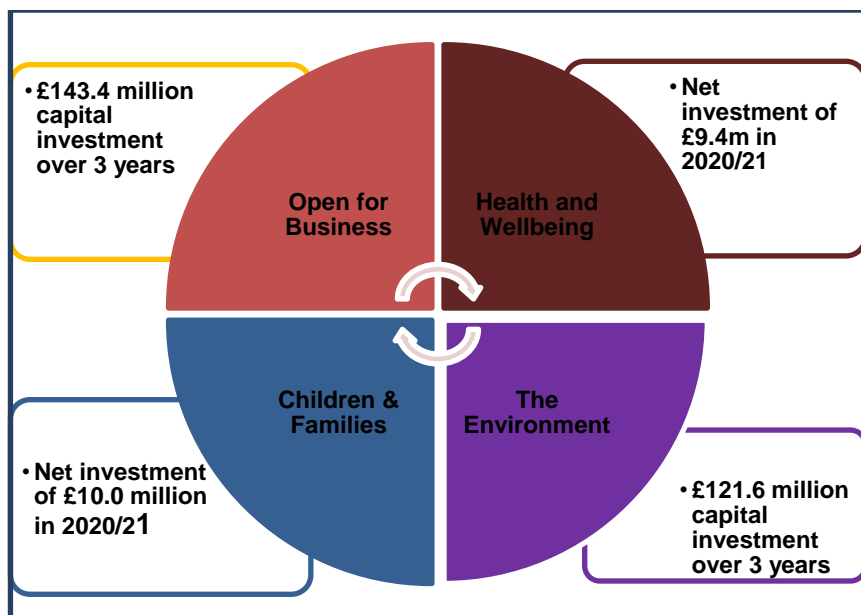
The paragraphs below details of the current budget for 2020/21.

### Expenditure

The net revenue budget requirement for 2020/21 is £346.246 million. That is a net £15.856 million more than 2019/20, however to achieve a balanced budget a programme of efficiency, reform and income proposals totalling £9.6 million was approved by Council in February 2020.



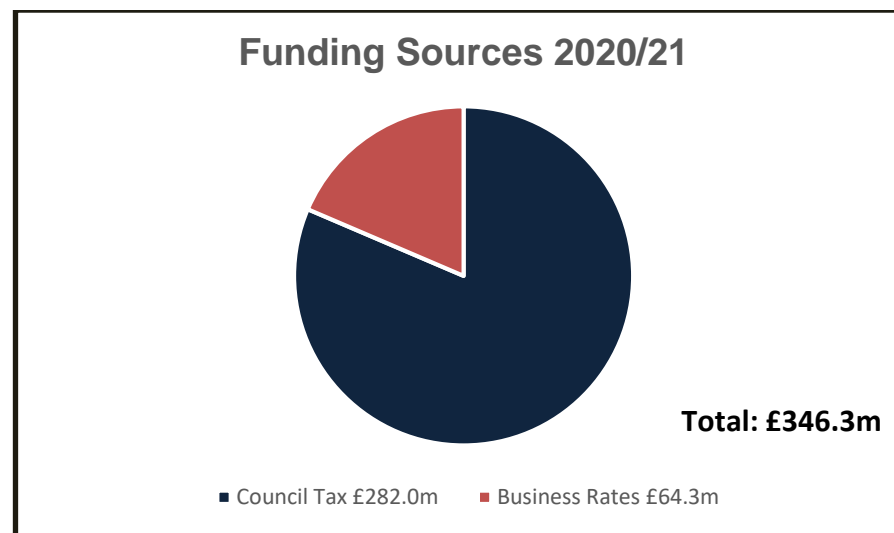
The medium-term financial plan confirms the commitment to continue to resource the Council's Corporate Plan priorities. It includes a capital programme of £338.6 million to deliver regeneration, infrastructure and other changes during 2020-23.



We are supporting this with a commitment to invest £29.0 million to ensure that the County Council is operating efficiently, prepared for the future including more digitally enabled operations, and closer working with our key partners.

### Funding

The main sources of the County Council's income are collected locally, with local taxation through Council Tax and the Adult Social Care Precept accounting for 81% of core funding income in 2020/21.



The County Council and its six District Council partners participated in a one-year 75% Business Rates Retention Pilot Scheme in 2019/20 resulting in a total gain of £8.7 million, with £4.9 million of this to be directed to help prevent or reduce the costs of Adults' and Children's social care across the County. In 2020/21, the County Council and six District Councils plus Hereford and Worcester Fire and Rescue Service will form a pool under the allowed 50% Business Rates Retention Scheme which is likely to benefit Worcestershire residents by around £2.8 million.

### Medium Term Financial Plan 2020-23

The Medium-Term Financial Plan takes account of the Corporate Plan commitment, the cost of providing our services and current central government funding announcements. Our current assumption, which may need to be reviewed in light of COVID-19, is that there will need to be a total of around £60 million of savings,

reforms and income generation over the period 2020-23, with around £23 million required in 2020/21.

|                              | 2020/21 | 2021/22 | 2022/23 | Total     |
|------------------------------|---------|---------|---------|-----------|
| Medium Term Financial Plan   | £000    | £000    | £000    | £000      |
| Funding                      | 346,246 | 355,782 | 367,281 | 1,069,309 |
| Transfer to Reserves         | (1,107) |         |         | (1,107)   |
| Projected Budget Requirement | 345,139 | 364,029 | 383,079 | 1,092,247 |
| Funding Gap (Before Reforms) | 0       | 8,247   | 15,798  | 24,045    |

### Worcestershire Children First

The County Council's wholly owned subsidiary Worcestershire Children First (WCF) was successfully launched on 1<sup>st</sup> October 2019 and operational responsibility for the delivery of all of Children's services on behalf of Worcestershire County Council was transferred on that date. Over 800 staff were TUPE transferred from the County Council to the new company to ensure an efficient transition of services and responsibilities. The Department for Education (DfE) has been informed of the company's progress and performance throughout the transition period, as part of contract monitoring arrangements, and are satisfied with the progress made to date.

The County Council has accounted for the activity of Worcestershire Children First through group accounts and these can be found at pages 142 to 148 in the 2019/20 Statement of Accounts.

### EU Exit - The potential impacts of the United Kingdom leaving the European Union

Following a referendum in June 2016, the UK government invoked Article 50 of the Treaty of the European Union, starting the process for the exit from the European Union. The UK left the European Union on 31 January 2020 and there is now a transition period until 31 December 2020 while the UK and the EU negotiate additional arrangements with new rules in respect of trade, travel and business for the UK and EU to take effect from 1 January 2021. There has been minimal impact on the County Council's accounts for 2019/20. We will continue to review the potential impact with our key partners, including our financial advisors, Place Partnership Ltd valuers and the Pension Fund to actively manage any risks arising in the transition period and beyond.

### COVID-19

On 11 March 2020, the World Health Organisation (WHO) assessed COVID-19 as a global pandemic and in the UK, on 23 March 2020, the Prime Minister issued instructions to the UK public to stay at home, to protect the NHS and to save lives. The County Council's response included activating the Corporate Emergency Response Framework: setting up our own internal Gold, Silver and Bronze arrangements to meet the COVID-19 response requirements and establishing arrangements with strategic partners across the county to identify how the County Council can preserve continuity and quality of service throughout our communities in this unprecedented time.

The UK Government has issued two grants to local authorities both totalling £1.6 billion, of which the County Council has received £25.5 million in allocation, to contribute towards its cost of response and recovery to COVID-19. Funding of £14.9 million was received on 27 March 2020; £0.4 million has been recognised and used to offset COVID-19 related expenditure in 2019/20; the balance has been treated as a receipt in advance at 31 March 2020 and included in short-term creditors in Note 21 to the accounts.



## Statement of Responsibilities

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This sets out the respective responsibilities of the County Council and the Chief Financial Officer in respect of preparation of the Statement of Accounts.

### The Council is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this County Council, that officer is the Chief Financial Officer;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the Statement of Accounts.

### Responsibilities of the Chief Financial Officer

The Chief Financial Officer is responsible for the preparation of the County Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Chief Financial Officer has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent; and

- Complied with the Code of Practice on Local Authority Accounting

The Chief Financial Officer has also:

- Kept proper accounting records which were up to date; and
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

### Approval of Accounts

The date that the Statement of Accounts was approved is 5 June 2020. All known material events that have occurred up to and including this date which relate to 2019/20 or before are reflected in the accounts.

In accordance with Regulation 9(1) of the Accounts and Audit Regulations 2015 (as amended) I certify that the Statement of Accounts 2019/20 provides a true and fair view of the financial position of the County Council at 31 March 2020 and its income and expenditure for the year 2019/20.

**Michael Hudson, Chief  
Financial Officer**

In accordance with Regulation 9(2) b of the Accounts and Audit Regulations 2015 (as amended) I certify that the Audit & Governance Committee approved the Statement of Accounts 2019/20 on [xx/xx] 2020.

**Nathan Desmond, Chairman  
of the Audit & Governance  
Committee**

# **Worcestershire County Council Statement of Accounts**

## Introduction to the Statutory Accounts

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The Statutory Accounts presents Worcestershire County Council's (the County Council) financial position in line with statutory reporting requirements. The accounts are prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 (the Code) and the Accounts and Audit Regulations 2015 (as amended). The main objective of the Code is to give a true and fair view of the financial position of the County Council, including information about financial position, performance, the results of stewardship of management and any risks and uncertainties.

### Comprehensive Income and Expenditure Statement

This statement shows the accounting costs in year of providing services by the County Council. This is prepared in accordance with International Financial Reporting Standards (IFRS) rather than the amount to be funded from taxation. The taxation position is shown in the Movement in Reserves Statement. The Expenditure and Funding Analysis note reconciles the position between taxation related expenditure and accounting related transactions. The surplus or deficit on the provision of services shows the true economic cost of providing the County Council's services.

### Movement in Reserves Statement

This shows the movement on the different reserves held, analysed into usable and unusable reserves. The net increase / decrease before transfers to / from earmarked reserves shows the statutory

General Fund balance before any discretionary transfers are undertaken.

### Balance Sheet

This shows the value of the assets and liabilities of the County Council, with the net assets matched by the reserves held. Reserves are categorised as usable, i.e. those the County Council can use to provide services, and unusable, i.e. those which cannot be used to provide services.

### Cash Flow Statement

This shows the change in cash and cash equivalents of the County Council, and classifies the cash as operating, investing and financing activities. The amount of net cash arising from operating activities is a key indicator of the extent to which the operations of the County Council are funded by way of taxation, grant income and fees and charges.

### Notes to the Accounts

These give further detail in support of the information provided in the main accounts. Notes are only provided where the amounts involved are material. Materiality is determined by the nature or magnitude of the disclosure and the potential for the user of the accounts being influenced by any omission. The notes include the relevant accounting policies which explain the basis for the figures included in the accounts and details of relevant estimates and judgements. Any estimations which are likely to lead to a material adjustment in the 2020/21 accounts are evaluated and detailed in the notes.

## Group Accounts

Group accounts are presented, in addition to the Council's single entity statements, to provide a full picture of the Council's economic activities and position. The Group Accounts comprise:

- Group Comprehensive Income and Expenditure Statement;
- Group Movement in Reserves Statement;
- Group Balance Sheet; and
- Group Cash Flow Statement.

## Comprehensive Income and Expenditure Statement

| Restated   |         |         |  |             |         |         |             |
|--|---------|---------|--|-------------|---------|---------|-------------|
| 2018/19  | 2018/19 | 2018/19 |  | 2019/20     | 2019/20 | 2019/20 |             |
| Expenditure  | Income  | Net     |  | Expenditure | Income  | Net     |             |
| £m   | £m      | £m      |  | £m          | £m      | £m      | Note        |
| Service Expenditure Analysis                                       |         |         |  |             |         |         | 3,5,5,6,7.1 |
| 261.2  | (116.0) | 145.2   | People   | 296.3       | (145.3) | 151.0   | 8           |
| 349.4  | (238.5) | 110.9   | Children's Services  | 345.6       | (236.7) | 108.9   | 7.3, 8      |
| 106.4  | (32.4)  | 74.0    | Economy & Infrastructure   | 92.0        | (26.5)  | 65.5    |             |
| 61.4   | (25.0)  | 36.4    | Commercial & Change  | 32.9        | (1.1)   | 31.8    |             |
| 13.2   | (11.5)  | 1.7     | Finance, HR & Chief Executive  | 24.0        |         | 24.0    |             |
| 791.6  | (423.4) | 368.2   | Net Cost of Services   | 790.8       | (409.6) | 381.2   |             |
| 3.9  | (1.9)   | 2.0     | Other operating expenditure  | 10.5        | (4.5)   | 6.0     | 9           |
| 97.4   | (32.5)  | 64.9    | Financing, investment income & expenditure                                 | 77.9        | (30.0)  | 47.9    | 10          |
| 0.2  | (382.7) | (382.5) | Taxation & non-specific grant income and expenditure                       | 0.2         | (419.2) | (419.0) | 7.2, 11     |
| 893.1  | (840.5) | 52.6    | (Surplus) / deficit on the provision of services                           | 879.4       | (863.3) | 16.1    |             |
| Other comprehensive income and expenditure:                        |         |         |  |             |         |         |             |
|  |         | (11.9)  | (Surplus) on revaluation of property, plant & equipment                    |             |         | (26.2)  | 15.3        |
|  |         | 10.5    | Downward revaluations on non-current assets charged to Revaluation Reserve |             |         | 20.6    | 15.3        |
|  |         | 56.4    | Actuarial (gains) / losses on pension assets & liabilities                 |             |         | (35.9)  | 26.2.2      |
| 55.0 Total other comprehensive income and expenditure              |         |         |  |             |         |         | (41.5)      |
| 107.6 Total comprehensive income and expenditure (surplus)/deficit |         |         |  |             |         |         | (25.4)      |

## Movement in Reserves Statement 2019/20

|  | General Fund (Non-Earmarked) Balance | General Fund (Earmarked) Reserves | General Fund Total | Capital Receipts Reserve | Capital Grants Unapplied Account | Total Usable Reserves | Unusable Reserves | Total Reserves |
|--|--------------------------------------|-----------------------------------|--------------------|--------------------------|----------------------------------|-----------------------|-------------------|----------------|
|  | £m                                   | £m                                | £m                 | £m                       | £m                               | £m                    | £m                | £m             |
| <b>Balance at 31 March 2019</b>  | <b>12.2</b>                          | <b>81.5</b>                       | <b>93.7</b>        | <b>0.1</b>               | <b>41.1</b>                      | <b>134.9</b>          | <b>(66.6)</b>     | <b>68.3</b>    |
| Movement in reserves during 2019/20:   |                                      |                                   |                    |                          |                                  |                       |                   |                |
| Total Comprehensive Income and Expenditure                                       | (16.1)                               |                                   | (16.1)             |                          |                                  | (16.1)                | 41.5              | 25.4           |
| Adjustments between accounting basis & funding basis under regulations (Note 12) | 16.1                                 | (5.2)                             | 10.9               | (0.1)                    | 14.8                             | 25.6                  | (25.6)            |                |
| Increase / (decrease) in 2019/20   |                                      | (5.2)                             | (5.2)              | (0.1)                    | 14.8                             | 9.5                   | 15.9              | 25.4           |
| <b>Balance at 31 March 2020 carried forward</b>                                  | <b>12.2</b>                          | <b>76.3</b>                       | <b>88.5</b>        |                          | <b>55.9</b>                      | <b>144.4</b>          | <b>(50.7)</b>     | <b>93.7</b>    |
| Note Reference   |                                      | 13.1                              |                    |                          |                                  | 13                    | 14                |                |

## Movement in Reserves Statement 2018/19 Comparison

|  | General Fund (Non-Earmarked) Balance | General Fund (Earmarked) Reserves | General Fund Total | Capital Receipts Reserve | Capital Grants Unapplied Account | Total Usable Reserves | Unusable Reserves | Total Reserves |
|--|--------------------------------------|-----------------------------------|--------------------|--------------------------|----------------------------------|-----------------------|-------------------|----------------|
|  | £m                                   | £m                                | £m                 | £m                       | £m                               | £m                    | £m                | £m             |
| <b>Balance at 31 March 2018</b>  | <b>12.2</b>                          | <b>84.4</b>                       | <b>96.6</b>        | <b>4.8</b>               | <b>34.9</b>                      | <b>136.3</b>          | <b>39.6</b>       | <b>175.9</b>   |
| Movement in reserves during 2018/19:   |                                      |                                   |                    |                          |                                  |                       |                   |                |
| Total Comprehensive Income and Expenditure                                       | (52.6)                               |                                   | (52.6)             |                          |                                  | (52.6)                | (55.0)            | (107.6)        |
| Adjustments between accounting basis & funding basis under regulations (Note 12) | 52.6                                 | (2.9)                             | 49.7               | (4.7)                    | 6.2                              | 51.2                  | (51.2)            |                |
| Increase / (decrease) in 2018/19   |                                      | (2.9)                             | (2.9)              | (4.7)                    | 6.2                              | (1.4)                 | (106.2)           | (107.6)        |
| <b>Balance at 31 March 2019 carried forward</b>                                  | <b>12.2</b>                          | <b>81.5</b>                       | <b>93.7</b>        | <b>0.1</b>               | <b>41.1</b>                      | <b>134.9</b>          | <b>(66.6)</b>     | <b>68.3</b>    |
| Note Reference   |                                      | 13.1                              |                    |                          |                                  | 13                    | 14                |                |

## Balance Sheet

| 31 March<br>2019 |                               | 31 March<br>2020 |       |
|------------------|-------------------------------|------------------|-------|
| £m               |                               | £m               | Note  |
| 1,052.5          | Property, plant and equipment | 1,070.7          | 15,16 |
| 1.7              | Heritage assets               | 1.7              |       |
| 4.0              | Intangible assets             | 5.4              |       |
| 3.0              | Long-term investments         | 3.0              | 17,18 |
| 119.6            | Long-term debtors             | 115.9            | 19    |
| <b>1,180.8</b>   | <b>Long term assets</b>       | <b>1,196.7</b>   |       |
| 8.3              | Non-Operational Assets        | 7.6              | 15.8  |
| 7.1              | Short-term investments        | 5.0              |       |
| 1.2              | Inventories                   | 1.2              |       |
| 56.2             | Short-term debtors            | 93.9             | 19    |
| 38.1             | Cash and cash equivalents     | 71.6             | 20    |
| <b>110.9</b>     | <b>Current assets</b>         | <b>179.3</b>     |       |
| (57.4)           | Short-term borrowing          | (39.4)           | 17    |
| (81.4)           | Short-term creditors          | (115.1)          | 21    |
| <b>(138.8)</b>   | <b>Current liabilities</b>    | <b>(154.5)</b>   |       |

| 31 March<br>2019    |                              | 31 March<br>2020 |      |
|---------------------|------------------------------|------------------|------|
| £m                  |                              | £m               | Note |
| (0.3)               | Long Term Creditors          |                  | 22   |
| (3.2)               | Long-term provisions         | (7.6)            |      |
| (409.3)             | Long-term borrowing          | (435.9)          | 17   |
| (646.9)             | Other long-term liabilities  | (654.9)          | 22   |
| (24.9)              | Grants receipts in advance   | (29.4)           | 23   |
| <b>(1,084.6)</b>    | <b>Long-term liabilities</b> | <b>(1,127.8)</b> |      |
| <b>68.3</b>         | <b>Net assets</b>            | <b>93.7</b>      |      |
|                     |                              |                  |      |
| <b>Financed by:</b> |                              |                  |      |
| 134.9               | Usable reserves              | 144.4            | 13   |
| (66.6)              | Unusable reserves            | (50.7)           | 14   |
| <b>68.3</b>         | <b>Total reserves</b>        | <b>93.7</b>      |      |



## Cash Flow Statement

| 2018/19  | 2019/20     |      |
|--|-------------|------|
| £m   | £m          | Note |
| (52.6) Net surplus/(deficit) on the provision of services  | (16.1)      |      |
| 137.3 Adjust net (surplus)/deficit for non-cash movements  | 126.0       |      |
| (61.7) Adjust for items included in the net (surplus)/deficit on the provision of services that are investing and financing activities | (87.5)      |      |
| <b>23.0 Net cash flows from operating activities</b>   | <b>22.4</b> | 24.1 |
| (22.9) Net cash flows from investing activities  | 8.3         | 24.2 |
| 22.6 Net cash flows from financing activities  | 2.8         | 24.3 |
| <b>22.7 Net increase/(decrease) in cash or cash equivalents</b>  | <b>33.5</b> |      |
| <b>Cash and cash equivalents</b>   |             | 20   |
| 15.4 Balance at 1 April  | 38.1        |      |
| 38.1 Balance at 31 March   | 71.6        |      |
| <b>22.7 Movement in cash and cash equivalents increase / (decrease)</b>  | <b>33.5</b> |      |

# **Worcestershire County Council Group Accounts**

## Group Accounts and Supporting Notes

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### Group Accounts

#### Introduction

In order to provide a fuller picture of the Council's economic activities and financial position, the accounting statements of the Council and Worcestershire Children First have been consolidated.

The Group Accounts are presented in addition to the Council's 'single entity' financial statements and comprise:

- Group Comprehensive Income and Expenditure Statement;
- Group Movement in Reserves Statement;
- Group Balance Sheet; and
- Group Cash Flow Statement.

These statements are set out on the following pages, together with accompanying disclosure notes. Disclosure notes have only been included in the group accounts where they are materially different from those of the Council's single entity accounts.

#### Results of Subsidiary

##### Worcestershire Children First

The County Council's wholly owned subsidiary Worcestershire Children First (WCF) was successfully launched on 1<sup>st</sup> October 2019 and operational responsibility for the delivery of all of Children's services on behalf of Worcestershire County Council was transferred on that date.

For 2019/20, the company's results showed a profit for the year of £0.5 million and net assets of £0.5 million.

A full copy of the company's accounts can be obtained from the Directors, Worcestershire Children First, County Hall, Spetchley Road, Worcester WR5 2NP. The accounts are audited by Grant Thornton (UK) LLP.

## Group Comprehensive Income and Expenditure Statement

|  | 2019/20      | 2019/20        | 2019/20       |
|--|--------------|----------------|---------------|
|  | Expenditure  | Income         | Net           |
|  | £m           | £m             | £m            |
| People   | 296.3        | (145.3)        | 151.0         |
| Children's Services  | 341.7        | (233.4)        | 108.3         |
| Economy & Infrastructure   | 92.0         | (26.5)         | 65.5          |
| Commercial & Change  | 32.9         | (1.1)          | 31.8          |
| Finance, HR & Chief Executive  | 24.0         |                | 24.0          |
| <b>Net Cost of Services</b>  | <b>786.9</b> | <b>(406.3)</b> | <b>380.6</b>  |
| Other operating expenditure  | 10.5         | (4.5)          | 6.0           |
| Financing, investment income & expenditure                                 | 77.9         | (30.0)         | 47.9          |
| Taxation & non-specific grant income and expenditure                       | 0.2          | (419.2)        | (419.0)       |
| <b>(Surplus) / deficit on the provision of services</b>                    | <b>875.5</b> | <b>(860.0)</b> | <b>15.5</b>   |
| <b>Tax expenses of subsidiary</b>  | <b>0.1</b>   |                | <b>0.1</b>    |
| <b>Group (surplus) / deficit</b>   | <b>875.6</b> | <b>(860.0)</b> | <b>15.6</b>   |
| <b>Other comprehensive income and expenditure:</b>                         |              |                |               |
| (Surplus) on revaluation of property, plant & equipment                    |              |                | (26.2)        |
| Downward revaluations on non-current assets charged to Revaluation Reserve |              |                | 20.6          |
| Actuarial (gains) / losses on pension assets & liabilities                 |              |                | (35.9)        |
| <b>Total other comprehensive income and expenditure</b>                    |              |                | <b>(41.5)</b> |
| <b>Total comprehensive income and expenditure (surplus)/deficit</b>        |              |                | <b>(25.9)</b> |

## Group Movement in Reserves Statement 2019/20

|  | General Fund (Non-Earmarked) Balance | General Fund (Earmarked) Reserves | General Fund Total | Capital Receipts Reserve | Capital Grants Unapplied Account | Total Usable Reserves | Unusable Reserves | Total Council Reserves | Council's Share of Reserves of subsidiary | Total Reserves attributable to Council |
|--|--------------------------------------|-----------------------------------|--------------------|--------------------------|----------------------------------|-----------------------|-------------------|------------------------|---|--|
|  | £m                                   | £m                                | £m                 | £m                       | £m                               | £m                    | £m                | £m                     | £m  | £m                                     |
| Balance at 31 March 2019   | 12.2                                 | 81.5                              | 93.7               | 0.1                      | 41.1                             | 134.9                 | (66.6)            | 68.3                   |   | 68.3                                   |
| Movement in reserves during 2019/20:                                     |                                      |                                   |                    |                          |                                  |                       |                   |                        |   |  |
| Total Comprehensive Income and Expenditure                               | 35.5                                 |                                   | 35.5               |                          |                                  | 35.5                  | 41.5              | 77.0                   | 0.5                                       | 77.5                                   |
| Adjustments between group accounts and authority accounts                | (51.6)                               |                                   | (51.6)             |                          |                                  | (51.6)                |                   | (51.6)                 |   | (51.6)                                 |
| Net increase/ (decrease) before transfers                                | (16.1)                               |                                   | (16.1)             |                          |                                  | (16.1)                | 41.5              | 25.4                   | 0.5                                       | 25.9                                   |
| Adjustments between accounting basis and funding basis under regulations | 16.1                                 | (5.2)                             | 10.9               | (0.1)                    | 14.8                             | 25.6                  | (25.6)            |                        |   |  |

|  | General Fund (Non-Earmarked) Balance | General Fund (Earmarked) Reserves | General Fund Total | Capital Receipts Reserve | Capital Grants Unapplied Account | Total Usable Reserves | Unusable Reserves | Total Council Reserves | Council's Share of Reserves of subsidiary | Total Reserves attributable to Council |
|--|--------------------------------------|-----------------------------------|--------------------|--------------------------|----------------------------------|-----------------------|-------------------|------------------------|---|--|
| Increase / (decrease) in 2019/20         |                                      | (5.2)                             | (5.2)              | (0.1)                    | 14.8                             | 9.5                   | 15.9              | 25.4                   | 0.5                                       | 25.9                                   |
| Balance at 31 March 2020 carried forward | 12.2                                 | 76.3                              | 88.5               |                          | 55.9                             | 144.4                 | (50.7)            | 93.7                   | 0.5                                       | 94.2                                   |

### Adjustments between Group Accounts and Authority Accounts in the Group Movement in Reserves Statement

|  | 2019/20            |
|--|--------------------|
|  | General Fund Total |
|  | £m                 |
| Removal of intercompany transactions                                   | 51.6               |
| <b>Total adjustments between Group Accounts and Authority Accounts</b> | <b>51.6</b>        |

## Group Balance Sheet

|                               | 31 March<br>2020 |
|-------------------------------|------------------|
|                               | £m               |
| Property, plant and equipment | 1,070.7          |
| Heritage assets               | 1.7              |
| Intangible assets             | 5.4              |
| Long-term investments         | 3.0              |
| Long-term debtors             | 115.9            |
| <b>Long term assets</b>       | <b>1,196.7</b>   |
| Non-Operational Assets        | 7.6              |
| Short-term investments        | 5.0              |
| Inventories                   | 1.2              |
| Short-term debtors            | 89.1             |
| Cash and cash equivalents     | 78.2             |
| <b>Current assets</b>         | <b>181.1</b>     |
| Short-term borrowing          | (39.4)           |
| Short-term creditors          | (116.4)          |
| <b>Current liabilities</b>    | <b>(155.8)</b>   |

|                              | 31 March<br>2020 |
|------------------------------|------------------|
|                              | £m               |
| <b>Long Term Creditors</b>   |                  |
| Long-term provisions         | (7.6)            |
| Long-term borrowing          | (435.9)          |
| Other long-term liabilities  | (654.9)          |
| Grants receipts in advance   | (29.4)           |
| <b>Long-term liabilities</b> | <b>(1,127.8)</b> |
| <b>Net assets</b>            | <b>94.2</b>      |
| <b>Financed by:</b>          |                  |
| Usable reserves              | 144.9            |
| Unusable reserves            | (50.7)           |
| <b>Total reserves</b>        | <b>94.2</b>      |

## Group Cash Flow Statement

|   | 2019/20     |      |
|---|-------------|------|
|   | £m          | Note |
| Net surplus/(deficit) on the provision of services  | (15.6)      |      |
| Adjust net (surplus)/deficit for non-cash movements   | 129.7       |      |
| Adjust for items included in the net (surplus)/deficit on the provision of services that are investing and financing activities | (87.5)      |      |
| <b>Net cash flows from operating activities</b>   | <b>26.6</b> |      |
| Net cash flows from investing activities  | 8.3         |      |
| Net cash flows from financing activities  | 2.8         |      |
| <b>Net increase/(decrease) in cash or cash equivalents</b>  | <b>37.7</b> |      |
| <b>Cash and cash equivalents</b>  |             |      |
| Balance at 1 April  | 38.1        |      |
| Balance at 31 March   | 78.2        |      |
| <b>Movement in cash and cash equivalents increase / (decrease)</b>  | <b>40.1</b> |      |



# **Worcestershire County Council Annual Governance Statement 2019/20**

## Introduction

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The Annual Governance Statement is a review of our activities to ensure that the County Council is carrying out its functions effectively. The review includes an update of governance issues previously identified, current issues and an evaluation of the future position of the County Council.

Our risk management process is a key part of our governance arrangements and provides assurance that:

- our business is conducted in accordance with all relevant laws and regulations
- public money is safeguarded and properly accounted for
- resources are used economically, efficiently and effectively to achieve agreed priorities which benefit local people.

The 2019/20 Annual Governance Statement also reflects the unprecedented position the County Council finds itself in as it, along with the wider community, reacts to the challenges of working during the COVID-19 crisis.

## The governance framework

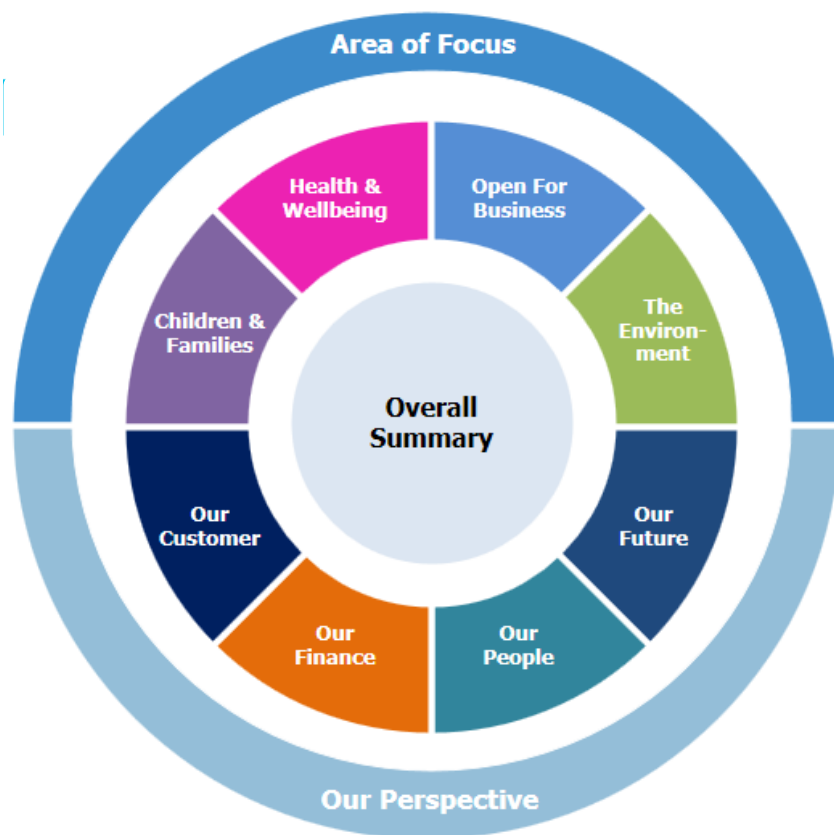
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This Annual Governance Statement is published in accordance with the CIPFA/SoLACE Delivering Good Governance in Local Government Framework (2016) (The Framework). This comprises systems and processes for the direction and control of the County Council and the activities through which it accounts to, engages with and leads the community. It enables us to monitor the achievement of strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The County Council has approved the requirements of the Framework and several specific strategies and processes for strengthening corporate governance such as the Corporate Risk Management Group and the Balanced Scorecard.

Our system of internal control is designed to manage risk to a reasonable level and is based on an ongoing process to identify and manage risks to the achievement of policies, aims and objectives, to evaluate the likelihood of those risks being realised, and to manage them efficiently, effectively and economically. It cannot eliminate all risk of failure but provides reasonable assurance of effectiveness.

The Balanced Scorecard is used to show the relationship between the intended outcomes of the Corporate Plan - Shaping Worcestershire's Future with the finance, workforce and process measures that support their delivery. The Balanced Scorecard is available to the public via the County Council's website to improve accountability to local communities. Performance is measured and reported against areas of focus internally on a quarterly basis and publicly every six months. The COVID-19 crisis has meant that the year-end Balanced Scorecard position has been delayed.



Set out below are the activities carried out by the County Council which contribute to our delivery of the seven principles in the CIPFA/SoLACE Framework during 2019/20.

### **Core Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

We have arrangements in place to provide assurance that our values are upheld, and that members and officers demonstrate high standards of conduct and behaviour to comply with laws and regulations.

These include:

- Codes of conduct for officers and members;
- The inclusion of ethical values in policies and procedures for all areas;
- A complaints procedure ensuring appropriate investigation and response
- A Whistleblowing Policy which enables employees and others who have serious concerns about any aspect of the Council's work to come forward and voice those concerns;
- A commitment to equality of opportunity for all citizens, in line with the Public Sector Duty as set out in the Equality Act 2010;
- Our Constitution, which sets out the conditions to ensure that all officers, key post holders and members can fulfil their responsibilities in accordance with legislative requirements. Roles, responsibilities and delegated authority for individual Members, the Council, Cabinet and senior officers are documented.

### **Core Principle B: Ensuring openness and comprehensive stakeholder engagement**

The Chief Executive and Strategic Leadership Team value and are committed to acting on staff feedback. The County Council has an annual staff survey, frequent pulse surveys and staff briefings. Staff are involved in issue resolution arrangements.

In 2019/20, the County Council's "Making a Decision" Roadshows have enabled Councillors and Officers to engage with members of the local community to receive feedback and inform our Adult Social Care Services. The results of the Worcestershire Viewpoint Survey 2019 were published in July 2019; responses to the online survey have enabled us to monitor public perception in relation to local priorities, satisfaction with Council services and level of engagement.

Feedback from events and surveys help to inform the council's four corporate priorities: supporting Children and families, promoting

Health and Well Being, protecting the Environment and championing Open for Business.

We are registered as a Controller under the General Data Protection Regulation (GDPR) which governs how we manage and process the information we collect and retain. We have a nominated Data Protection Officer and procedures in place that explain how we use and share information, as well as arrangements for members of the public to access information. We have also adopted the model publication scheme produced by the Information Commissioner's Office.

### **Core Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits**

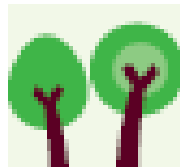
Our Corporate Plan, Shaping Worcestershire's Future 2017-22, identifies four key priorities that help us shape the future vision for Worcestershire and focus the delivery of our services.



**Open for Business** – we have a significant programme of improvements in workforce skills, employment, infrastructure and productivity. We are aiming to become a financially self-sufficient Council and to achieve this aim we are promoting and supporting businesses in the County and those looking to relocate here.



successfully into employment. These services are delivered in conjunction with our wholly owned company, Worcestershire Children First.



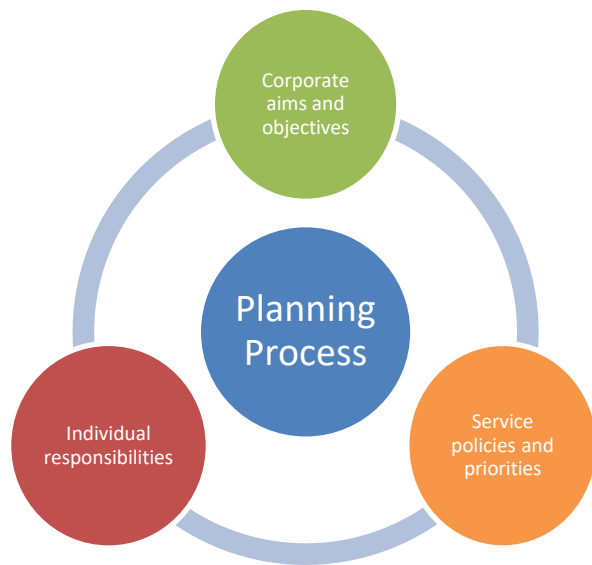
**The Environment** - Worcestershire's environment is one of our key features and contributes to enhancing the quality of life for residents and visitors. We are committed to improving our infrastructure networks, including transport and digital technology to support business and encourage investment. We also have a key focus on minimising waste which goes to landfill.



**Health and Wellbeing** – we are working with local partners to support our residents to be healthier, live longer, have better quality of life and remain independent for as long as possible. Our focus on adult social care aims to keep people with support and care needs as independent as possible by providing choice in how to live their lives.

All services have plans in place in line with approved budgets to deliver the key outcomes contained in the Corporate Plan. Management of these plans varies by service, but includes key performance indicators, ongoing outcome monitoring and reports to management teams and committees as appropriate.

### **Core Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes**



The County Council's planning process works to support and optimise delivery and identify and mitigate any risks.

Each key area of focus identifies several aims and targets, which are managed through the Balanced Scorecard. Responsibility for achieving these lies with individual directorates, and relevant aims and targets are included in individual service delivery plans. Risks and issues are managed through the Corporate Risk Management Group and regular updates are provided to SLT and the Audit & Governance Committee.

Progress against the Corporate Plan is monitored and reported to councillors on a regular basis.

#### **Core Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it**

To deliver our objectives, we rely on our staff to carry on the great work they already do daily which is underpinned by Our People Values:

- **Customer Focus** - putting the customer at the heart of everything we do
- **'Can do' Culture** – being proactive to achieve excellence

- **Freedom within Boundaries** – courage to make constructive change

We aim to drive change, develop talent and optimise potential and enable managers and leaders to develop and motivate our workforce to allow it to be future fit. Reviewing the talent and potential of our workforce enables us to better understand and identify the potential we can develop over the coming years

Our annual performance review scheme forms a central part of our planning process. Discussions and review sessions take place between every member of staff and their line manager to agree and track personal objectives and actions, with formal mid-year reviews as a key part of the process. 99% of staff received mid-year reviews during 2019/20. The timing and impact of the COVID-19 lockdown and staff restrictions has meant that the end of year performance reviews for 2019/20 have been put on hold. Managers are being supported to put in place local monitoring arrangements, including managing any ongoing performance issues.

#### **Core Principle F: Managing risks and performance through robust internal control and strong public financial management**

Risk management is about the identification, analysis and control of threats or events that adversely affect the achievement of the County Council's strategic and operational objectives. It also enables positive risks to be taken to innovate and improve service provision. The Risk Management Strategy details the methodology for evaluating corporate risk management arrangements and its delivery is enabled by the Corporate Risk Management Group. A specific risk framework has been put in place to manage the risks identified as a result of the COVID-19 crisis, with the County Council's Corporate Emergency Response Framework activated as part of our response.

The County Council's Anti-Fraud and Corruption Strategy embeds effective standards in countering fraud, corruption and theft. The Chief Financial Officer is responsible for ensuring this Strategy is applied and that the CIPFA Code of Practice on Managing the Risk

of Fraud and Corruption is followed. The County Council supports and submits data for the National Fraud Initiative (NFI) and assesses all matches for review and, where appropriate, mitigation.

Financial Regulations form part of the Constitution and set out our financial management framework for ensuring we make the best use of the money we have available to spend. It outlines the financial roles and responsibilities for staff and Members and provides a framework for financial decision-making. Where there are specific statutory powers and duties the Financial Regulations seek to ensure these are duly complied with, as well as reflecting best professional practice and decision-making.

**Core Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability**

We endeavour to always be open and transparent through our officer and member activity. A large amount of information is available on the County Council website which gives details of the working of the organisation, what we spend, and how our decisions are made.

The Forward Plan provides information about the matters on which the County Council will make decisions. Formal agenda, reports and minutes for all committee meetings are published on our website which ensures that people know what decisions the County Council is planning to take, and the decisions taken.

Our Monitoring Officer has a specific duty to ensure the County Council, its officers and elected councillors maintain the highest standards in all they do. In February 2020, the County Council's Monitoring Officer retired following 21 years of service. An interim Monitoring Officer has been appointed to fulfil this role and ensure the highest standards of conduct are maintained with a permanent replacement starting in June 2020.

Arrangements are in place to ensure that we fully comply with the requirements of the Public Sector Internal Audit Standards (PSIAS) and CIPFA Statement on the Role of the Head of Internal Audit.

# Review of Effectiveness

The effectiveness of risk management within the County Council is reviewed throughout the year by the Corporate Risk Management Group. The outcomes of this Group have informed this Statement. The governance process undertaken by the Group are detailed below:





## Audit and Audit Assurances

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The Council's Statement of Accounts are audited by Grant Thornton UK LLP. In accordance with statutory requirements, the annual audit includes an examination and certification of the financial statements to confirm they are 'true and fair' and an assessment of arrangements to secure economy, efficiency and effectiveness in the use of resources. In 2018/19, Grant Thornton gave an unqualified audit opinion on the financial statements.

From 1 April 2019, internal audit services have been provided by the Council's in-house team (previously provided by Warwickshire County Council). The team's role is to enhance and protect the County Council's value by providing risk-based and objective assurance, advice and insight. It is responsible for reviewing the adequacy of internal controls across all areas of the Council and its services are managed and delivered in accordance with the Public Sector Internal Audit Standards (PSIAS).

The Audit & Governance Committee approve the Internal Audit Charter and Audit Plan which outline the role of Internal Audit, its responsibilities and independence and the planned programme of audit work.

Based on the results of work undertaken during the year, the Chief Internal Auditor's annual opinion is that the control environment provides **moderate assurance** that the significant risks facing the County Council are addressed. This is the same level of assurance as previous years and is the second highest category out of four classifications of assurance.



## Significant Governance Issues

| 2018/19 issues Governance issues   | Update on Progress  |
|--|---|
| <p><b>Sustainable improvement in Children's Services</b></p> <p>As noted in the 2017/18 AGS the response to the statutory improvement notice in Children's Services remains live. The improvement plan continues with regular programme monitoring and independent checking. The new wholly owned Council Company 'Worcestershire Children First' is in shadow form and will become live from 1 October 2019. A programme board is in place to ensure a smooth transition.</p> | <p>Worcestershire Children First (WCF) was successfully launched on 1st October 2019, following a two-year programme of activity. WCF officially took over the operational responsibility for all the delivery of Children's Services on behalf of Worcestershire County Council (WCC). More than 800 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. DfE have been kept fully informed of progress of the company and its performance as part of the contract monitoring arrangements. The DfE have considered the Ofsted report of July 2019 and the Children's Services Commissioner's report of 22 January 2020 and the Secretary of State intends to withdraw the Children's Services Commissioner due to the good progress made in all areas, with the Direction and monitoring remaining in place.</p> <p>We will continue to monitor developments in Children's Services however following significant improvements noted above, this is no longer a governance issue for 2019/20.</p> |
| <p><b>Serious harm or death of a child or young person</b></p> <p>Safeguarding risk because of serious harm or death of a child or failure to safeguard children. Reputational risk as a result of poor inspection or service breakdown.</p>   | <p>Children and Families have seen no change in service delivery or performance since launch of Worcestershire Children First. A Children Social Care staff survey was undertaken in December along with staffing data which shows a high level of stability and ongoing commitment from staff. Specific priorities for continual development and implementation are included in the Company Business Plan and detailed within Social Care and Safeguarding Business Plan, which is embedded throughout the service, key elements are:</p> <ul style="list-style-type: none"> <li>• Ofsted recommendations for areas of improvement</li> <li>• Service Area Business Development and Improvement Plans</li> <li>• Preparation for Inspections and Focused Visits</li> <li>• Innovation</li> <li>• Quality Assurance and Audit</li> </ul>  |

|  |   |
|--|---|
| <b>Activity exceeds budget allocation</b><br>Inadequate budgets and / or ineffective financial management will impact on the County Council's ability to effectively provide services and impair our ability to forward plan. The level of earmarked and general reserves could also be impacted by any unplanned draw down. | Regular budget monitoring and a focus on demand / activity continues to strengthen and be a focus of our reporting and monitoring. Demand in WCF was in line / slightly better than forecast and Adult modelling has also improved but further work is scheduled with the use of IT software. This is subject now to review of COVID-19 'new normal' in 2020/21.  |
| <b>Serious harm or death of a vulnerable adult</b><br>A safeguarding risk because of serious harm / death from failure to safeguard a vulnerable adult. We also face reputational risk as a result of service breakdown.   | A Safeguarding Adult Board is in place with representation from safeguarding partners. A centralised Adult Safeguarding Team located within the Safeguarding Hub ensures competency of staff, information sharing and consistency in decision making. The Adult Safeguarding Team are aligned with the Locality Teams and 3 Conversations processes. Staff are assessed against WSAB safeguarding competency framework.   |
| <b>Staff capacity, recruitment and retention</b><br>Our ability to deliver front line and key services will be impacted unless the County Council adopts a range of strategies to attract and retain a highly skilled and specialised workforce.   | <p>There is a dedicated HR team supporting social work recruitment. We are using agency workers to cover specialist and hard to fill roles and considering enhanced payment packages to attract / retain the right staff as part of the Organisational Redesign programme.</p> <p>The development of a workforce strategy to identify future needs and potential gaps is underway. We continue to develop and train internal resource, including maximisation of internal secondments.</p> <p>During 2019/20, the County Council's transactional recruitment team was in-sourced from Liberata and are fully integrated into the HR team.</p> <p>Following progress in our recruitment activity in the year, we have determined that this no longer a governance issue for 2019/20.</p> |

| 2019/20 Governance issues   | Identified Actions   |
|---|--|
| <b>Serious harm or death of a child or young person</b><br>Safeguarding risk because of serious harm or death of a child or failure to safeguard children. Reputational risk as a result of poor inspection or service breakdown. | Safeguarding issues continue to be monitored and managed through the WCF Performance Board in and developed through partnership working with the Worcestershire Safeguarding Children Partnership (WSCP) and other local strategic partners. Quality Assurance measures are in place safeguarding and activity is monitored by the WSCP Safeguarding Practice Review Board and Get Safe Partnership Board. |

|  |  |
|--|--|
| <p><b>Activity exceeds budget allocation</b><br/>Inadequate budgets and / or ineffective financial management will impact on the County Council's ability to effectively provide services and impair our ability to forward plan. The level of earmarked and general reserves could also be impacted by any unplanned draw down.</p>   | <p>In year financial monitoring and reporting to management, Council and Cabinet is by reference to performance against agreed budgets and forecast outturn position. Achievement of savings targets and the use of Council reserves are monitored as part of ongoing activity to consider financial sustainability and to inform our assessment of going concern. In addition, in setting the 2020/21 budget the Administration set a balanced budget for 2020/21 that took the learning from 2019/20 and reset or carried forward a number of saving provisions. This will continued to be reviewed in that year and after consideration of the impact of COVID19.</p>   |
| <p><b>Serious harm or death of a vulnerable adult</b><br/>A safeguarding risk because of serious harm / death from failure to safeguard a vulnerable adult. We also face reputational risk as a result of service breakdown.</p>   | <p>A Safeguarding Adult Board is in place with representation from safeguarding partners. A centralised Adult Safeguarding Team located within the Safeguarding Hub ensures competency of staff, information sharing and consistency in decision making. The Adult Safeguarding Team are aligned with the Locality Teams and 3 Conversations processes. Staff are assessed against WSAB safeguarding competency framework.</p>   |
| <p><b>COVID-19 Impact upon governance arrangements</b><br/>The restrictions imposed by Central Government to respond to the global COVID-19 pandemic have resulted in changes to the County Council's working practices and governance arrangements, with particular reference to:</p> <ul style="list-style-type: none"> <li>• Council meetings and decision-making arrangements;</li> <li>• Engagement in local and national response;</li> <li>• Implementation of new policies and processes;</li> <li>• Business as usual and delivery of services;</li> <li>• Future funding and cashflow challenges; and</li> <li>• Assessment of longer-term disruption and consequences.</li> </ul> | <p>Our response to the crisis included activating the Corporate Emergency Response Framework, setting up County Councils own internal Gold, Silver and Bronze arrangements to meet the Covid-19 response requirements, which in turn are aligned to the LRF structures of Strategic (SCG) and Tactical (TCG) Coordinating Groups. The Mission of Gold being: "to preserve life, prevent the spread of infection and maintain critical County Council services".</p> <p>Officer decisions made in dealing with the Covid-19 response have been reported on the Council's website and include provision of PPE, Here2Help, development of the Adult Social Care Access Centre and purchase of care.</p> <p>A revised governance framework has been developed and approved by Cabinet and arrangements made to ensure that meetings and the formal decision-making process conforms to the relevant legislative requirements for remote meetings of a local authority.</p> <p>Our 'Here2Help' community action group was setup in April 2020 to provide information and assistance to vulnerable people in the community and signpost</p> |

|  |   |
|--|---|
|  | <p>local residents to advice and support available throughout Worcestershire.</p> <p>The Worcestershire COVID-19 Economic Response, Recovery and Resilience Group (WERRG), of which the Council holds the role of Chairman, has been established to ensure the alignment of vision and objectives across partner organisations and the Worcestershire Economic Recovery Plan. The group membership includes representatives from District Councils, Worcestershire Local Enterprise Partnership (WLEP), DWP, Chamber of Commerce, Federation of Small Businesses and Farmers Union.</p> <p>The impact of increased expenditure and lost income directly attributable to the County Council's response to COVID-19 is considered alongside funding, cashflow requirements and use of reserves as part of our routine financial monitoring and reporting activity. Information has been submitted to Central Government to report our impact in line with required deadlines.</p> |
|--|---|

### Issues identified for 2020/21

A number of the issues and corresponding action plans noted above will continue to be the key focus for the County Council's leadership in 2020/21:

- Sustaining improvement in Children's Services through Worcestershire Children's First
- Safeguarding vulnerable children and adults
- Ensuring a financially sustainable short and medium-term budget
- Implementing an alternative model for delivery of property services including consideration of TUPE proceedings for Place Partnership Ltd

In addition to these issues, the County Council's response to the COVID-19 pandemic will continue to inform our assessment of governance arrangements, with particular reference to:

- Impact of COVID-19 on the County Council's governance arrangements and new working practices, including a focus on the economic recovery through a One Worcestershire framework

- Monitoring the financial impact of COVID-19 on budgeted income and expenditure
- Consideration of lessons learned from our response to COVID-19
- Further development of the County Council's performance, transformation and productivity culture

## 5. Certification

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To the best of our knowledge, the governance arrangements, as defined above have been effective. We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation during the year and as part of our next annual review and through the County Council's Corporate Risk Management Group.

**Paul Robinson**  
**Chief Executive**  
**Date:**

**Simon Geraghty**  
**Leader of the County Council**  
**Date:**

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**P12 Outturn Forecast - 2019/20 SLT Revenue Budget Monitoring Forecast by Service**

| Dir. | Service   | 2019/20<br>Net Budget | 2019/20<br>Actual | 19/20<br>Draft<br>Variance<br>Before<br>Adj's | One Off / Adjustments  |  |                    | Variance<br>After Adj's | Variance<br>After Adj's | Variance<br>Last Period | Change<br>Since Last<br>Period |
|------|---|-----------------------|-------------------|---|------------------------|--|--------------------|-------------------------|-------------------------|-------------------------|--------------------------------|
|      |   |                       |                   |   | Transfer to<br>Capital | Proposed<br>Withdrawal<br>from<br>Reserves /<br>Grants | Proposed<br>C/Fwds |                         |                         |                         |                                |
|      |   |                       |                   |   |                        |  |                    |                         |                         |                         |                                |
|      |   | £000                  | £000              | £000  | £000                   | £000   | £000               | £000                    | %                       | £000                    | £000                           |
| CFC  | DSG - School Formula Budgets                            | 125,749               | 124,664           | (1,085)                                       |                        |  |                    | (1,085)                 | -0.9%                   | (832)                   | (253)                          |
| CFC  | DSG - High Needs Pupils                                 | 43,592                | 52,314            | 8,722   |                        |  |                    | 8,722                   | 20.0%                   | 9,281                   | (559)                          |
| CFC  | DSG - Early Years                                       | 35,238                | 35,021            | (217)   |                        |  |                    | (217)                   | -0.6%                   | 0                       | (217)                          |
| CFC  | DSG - Statutory Duties / Historic Commitments           | 3,793                 | 3,690             | (103)   |                        |  |                    | (103)                   | -2.7%                   | 0                       | (103)                          |
| CFC  | DSG - De-Delegated Services                             | 0                     | (81)              | (81)  |                        |  |                    | (81)                    | 0.0%                    | 0                       | (81)                           |
| CFC  | DSG - Sub Total   | 208,372               | 215,608           | 7,236   | 0                      | 0  | 0                  | 7,236                   | 3.5%                    | 8,449                   | (1,213)                        |
| CFC  | DSG - Dedicated Schools Grant                           | (208,372)             | (210,015)         | (1,643)                                       |                        | (5,593)  |                    | (7,236)                 | 3.5%                    | (8,449)                 | 1,213                          |
| CFC  | Dedicated Schools Grant (DSG)                           | 0                     | 5,593             | 5,593   | 0                      | (5,593)  | 0                  | 0                       | -                       | 0                       | 0                              |
| CFC  | CSC Safeguarding Locality Teams                         | 6,507                 | 5,739             | (768)   |                        | (66)   |                    | (834)                   | -12.8%                  | (777)                   | (57)                           |
| CFC  | CSC Through Care Locality based Hubs                    | 2,318                 | 2,358             | 40  |                        |  |                    | 40                      | 1.7%                    | 40                      | 0                              |
| CFC  | CSC Family Front Door                                   | 2,540                 | 2,434             | (106)   |                        |  |                    | (106)                   | -4.2%                   | (138)                   | 32                             |
| CFC  | CSC Targeted Family Support                             | 840                   | 762               | (78)  |                        |  |                    | (78)                    | -9.3%                   | (78)                    | 0                              |
| CFC  | CSC Safeguarding and Quality Assurance                  | 969                   | 949               | (20)  |                        |  |                    | (20)                    | -2.1%                   | (24)                    | 4                              |
| CFC  | CSC Placements & Provision                              | 22,250                | 23,148            | 898   |                        |  |                    | 898                     | 4.0%                    | 1,137                   | (239)                          |
| CFC  | Worcestershire Safeguarding Children Board              | 84                    | 84                | 0   |                        |  |                    | 0                       | 0.0%                    | (17)                    | 17                             |
| CFC  | Education & Skills                                      | 1,575                 | 1,638             | 63  |                        |  |                    | 63                      | 4.0%                    | 35                      | 28                             |
| CFC  | Home to School & College Transport                      | 6,710                 | 7,266             | 556   |                        |  |                    | 556                     | 8.3%                    | 750                     | (194)                          |
| CFC  | Early Help & Partnerships                               | 1,661                 | 1,484             | (177)   |                        |  |                    | (177)                   | -10.7%                  | (153)                   | (24)                           |
| CFC  | WCC Contribution to West Mercia Youth Offending Service | 257                   | 113               | (144)   |                        |  |                    | (144)                   | -56.0%                  | (144)                   | 0                              |
| CFC  | Finance & Resources                                     | 49,777                | 50,128            | 351   |                        |  |                    | 351                     | 0.7%                    | (2)                     | 353                            |
| CFC  | Children, Families and Communities (Excl DSG)           | 95,488                | 96,103            | 615   | 0                      | (66)   | 0                  | 549                     | 0.6%                    | 629                     | (80)                           |

**P12 Outturn Forecast - 2019/20 SLT Revenue Budget Monitoring Forecast by Service**

| Dir.  | Service   | 2019/20<br>Net Budget | 2019/20<br>Actual | 19/20<br>Draft<br>Variance<br>Before<br>Adj's | One Off / Adjustments  |  |                    | Variance<br>After Adj's | Variance<br>After Adj's | Variance<br>Last Period | Change<br>Since Last<br>Period |
|-------|---|-----------------------|-------------------|---|------------------------|--|--------------------|-------------------------|-------------------------|-------------------------|--------------------------------|
|       |   |                       |                   |   | Transfer to<br>Capital | Proposed<br>Withdrawal<br>from<br>Reserves /<br>Grants | Proposed<br>C/Fwds |                         |                         |                         |                                |
|       |   | £000                  | £000              | £000  | £000                   | £000   | £000               | £000                    | %                       | £000                    | £000                           |
| E&I   | Strategic Land & Economy                        | 1,125                 | 1,151             | 25  |                        |  |                    | 25                      | 2.2%                    | 32                      | (7)                            |
| E&I   | Planning & Regulation                           | 1,004                 | 1,418             | 414   |                        |  |                    | 414                     | 41.2%                   | 371                     | 43                             |
| E&I   | Highways Contracts, Winter Service and Projects | 7,503                 | 7,295             | (208)   |                        | (24)   |                    | (232)                   | -3.1%                   | 84                      | (316)                          |
| E&I   | Waste Services                                  | 27,587                | 27,622            | 35  |                        | (114)  |                    | (79)                    | -0.3%                   | (80)                    | 1                              |
| E&I   | Network Control                                 | 604                   | (90)              | (694)   |                        | (70)   |                    | (764)                   | -126.5%                 | (403)                   | (361)                          |
| E&I   | Operations, Highways and PROW                   | 7,148                 | 7,866             | 718   |                        | (550)  |                    | 168                     | 2.3%                    | 712                     | (544)                          |
| E&I   | Transport Operations                            | 11,481                | 11,087            | (393)   |                        | (11)   |                    | (404)                   | -3.5%                   | (410)                   | 6                              |
| E&I   | Transport Recharge to CFC and DAS Directorates  | (885)                 | (885)             | 0   |                        | 0  |                    | 0                       | 0.0%                    | 0                       | 0                              |
| E&I   | Business, Administration & Systems              | 181                   | 71                | (110)   |                        | 0  |                    | (110)                   | -60.9%                  | (73)                    | (37)                           |
| E&I   | Public Health Grant                             | 0                     |                   | 0   |                        | 0  |                    | 0                       | 0.0%                    | 0                       | 0                              |
| E&I   | <b>Economy &amp; Infrastructure</b>             | <b>55,749</b>         | <b>55,535</b>     | <b>(214)</b>                                  | <b>0</b>               | <b>(769)</b>   | <b>0</b>           | <b>(983)</b>            | <b>-1.8%</b>            | <b>232</b>              | <b>(1,214)</b>                 |
| COACH | COACH - Management                              | 1,223                 | 1,210             | (13)  | 0                      | (175)  | 175                | (13)                    | -1.1%                   | (91)                    | 78                             |
| COACH | Legal and Democratic Services                   | 5,305                 | 5,672             | 366   | (64)                   | (614)  | 109                | (203)                   | -3.8%                   | 58                      | (260)                          |
| COACH | Commercial Team                                 | 2,470                 | 2,559             | 88  | 0                      | (202)  | 0                  | (113)                   | -4.6%                   | (87)                    | (26)                           |
| COACH | Property Services                               | 7,945                 | 7,959             | 13  | 0                      | (620)  | 520                | (86)                    | -1.1%                   | (364)                   | 278                            |
| COACH | Service Transformation (Customer Servs, ICT)    | 8,471                 | 8,529             | 59  | (40)                   | (84)   | 0                  | (65)                    | -0.8%                   | (44)                    | (21)                           |
| COACH | Programme Office                                | (522)                 | 997               | 1,519   | (579)                  | (940)  | 0                  | 1                       | 0.0%                    | 0                       | 1                              |
| COACH | Recharges to other Directorates                 | (18,502)              | (18,502)          | 0   |                        |  |                    | 0                       | 0.0%                    | 0                       | 0                              |
| COACH | <b>Commercial and Change</b>                    | <b>6,392</b>          | <b>8,424</b>      | <b>2,033</b>                                  | <b>(682)</b>           | <b>(2,634)</b>   | <b>804</b>         | <b>(479)</b>            | <b>-7.5%</b>            | <b>(528)</b>            | <b>49</b>                      |
| CEX   | Chief Executive                                 | 730                   | 731               | 1   | (153)                  | (96)   |                    | (248)                   | -34.0%                  | 38                      | (286)                          |
| CEX   | Health & Safety                                 | 294                   | 286               | (7)   | 0                      | 0  | 0                  | (7)                     | -2.5%                   | 0                       | (7)                            |
| CEX   | HR & Organisational                             | 3,992                 | 3,854             | (138)   | 0                      | (209)  | 100                | (247)                   | -6.2%                   | (139)                   | (108)                          |
| CEX   | Contents & Communications                       | 1,023                 | 941               | (83)  | 0                      | 0  | 38                 | (44)                    | -4.3%                   | 1                       | (46)                           |
| CEX   | Recharges to other Directorates                 | (4,473)               | (4,473)           | 0   |                        |  |                    | 0                       |                         | 0                       | 0                              |
| CEX   | <b>Chief Executive</b>                          | <b>1,566</b>          | <b>1,339</b>      | <b>(227)</b>                                  | <b>(153)</b>           | <b>(305)</b>   | <b>138</b>         | <b>(547)</b>            | <b>-34.9%</b>           | <b>(100)</b>            | <b>(447)</b>                   |
| DAS   | Older People                                    | 53,824                | 59,440            | 5,616   | 0                      | (695)  | 0                  | 4,921                   | 9.1%                    | 2,924                   | 1,997                          |
| DAS   | Physical Disabilities                           | 15,517                | 15,108            | (409)   | 0                      | 0  | 0                  | (409)                   | -2.6%                   | (31)                    | (378)                          |
| DAS   | Learning Disabilities                           | 59,362                | 57,534            | (1,828)                                       | 0                      | 0  | 0                  | (1,828)                 | -3.1%                   | 495                     | (2,323)                        |



**P12 Outturn Forecast - 2019/20 SLT Revenue Budget Monitoring Forecast by Service**

| Dir.   | Service                            | 2019/20<br>Net Budget | 2019/20<br>Actual | 19/20<br>Draft<br>Variance<br>Before<br>Adj's | One Off / Adjustments  |  |                    | Variance<br>After Adj's | Variance<br>After Adj's | Variance<br>Last Period | Change<br>Since Last<br>Period |
|--------|------------------------------------|-----------------------|-------------------|---|------------------------|--|--------------------|-------------------------|-------------------------|-------------------------|--------------------------------|
|        |                                    |                       |                   |   | Transfer to<br>Capital | Proposed<br>Withdrawal<br>from<br>Reserves /<br>Grants | Proposed<br>C/Fwds |                         |                         |                         |                                |
|        |                                    | £000                  | £000              | £000  | £000                   | £000   | £000               | £000                    | %                       | £000                    | £000                           |
| DAS    | Mental Health                      | 15,812                | 16,281            | 469   | 0                      | 0  | 0                  | 469                     | 3.0%                    | 683                     | (214)                          |
| DAS    | Support Services                   | (317)                 | (702)             | (385)   | 0                      | 0  | 0                  | (385)                   | 121.6%                  | (658)                   | 273                            |
| DAS    | Integrated Commissioning Unit      | 625                   | 341               | (284)   | 0                      | 0  | 0                  | (284)                   | -45.4%                  | (44)                    | (240)                          |
| DAS    | BCF (excluding Health)             | 99                    | (664)             | (763)   | 0                      | 0  | 0                  | (763)                   | -770.7%                 | (202)                   | (561)                          |
| DAS    | IBCF                               | (15,045)              | (15,045)          | 0   | 0                      | 0  | 0                  | 0                       | 0.0%                    | (0)                     | 0                              |
| DAS    | Non Assigned Items                 | (4,007)               | (4,085)           | (78)  | 0                      | 0  | 0                  | (78)                    | 1.9%                    | 133                     | (211)                          |
| PEOPLE | <b>Adults</b>                      | 125,870               | 128,208           | 2,338   | 0                      | (795)  | 0                  | 1,643                   | 1.3%                    | 3,300                   | (1,657)                        |
| PEOPLE | Provider Services                  | 9,959                 | 9,483             | (475)   | 0                      | (100)  | 0                  | (575)                   | -5.8%                   | (46)                    | (529)                          |
| PEOPLE | Community Services                 | 8,488                 | 8,239             | (249)   | 0                      | 0  | 0                  | (249)                   | -2.9%                   | (41)                    | (208)                          |
| PEOPLE | Archives and Archaeology           | 1,553                 | 1,714             | 161   | 0                      | 0  | 0                  | 161                     | 10.3%                   | 97                      | 64                             |
| PEOPLE | Registration                       | 141                   | (104)             | (245)   | 0                      | 0  | 0                  | (245)                   | -173.7%                 | (97)                    | (148)                          |
| PEOPLE | Coroners                           | 835                   | 835               | 0   | 0                      | 0  | 0                  | 0                       | 0.0%                    | (30)                    | 30                             |
| PEOPLE | Children's Partnerships            | 189                   | 88                | (101)   | 0                      | 0  | 0                  | (101)                   | -53.6%                  | (0)                     | (101)                          |
| PEOPLE | <b>Communities</b>                 | 21,165                | 20,255            | (910)   | 0                      | 0  | 0                  | (1,009)                 | -4.8%                   | (117)                   | (892)                          |
| PH     | Public Health                      | 2,388                 | 2,471             | 83  | 0                      | 0  | 0                  | 83                      | 3.5%                    | 295                     | (212)                          |
| PH     | <b>Public Health</b>               | 2,389                 | 2,471             | 82  | 0                      | 0  | 0                  | 83                      | 3.5%                    | 295                     | (212)                          |
| Serv   | <b>Total : Services (Excl DSG)</b> | 308,618               | 312,335           | 3,717   | (835)                  | (4,569)  | 942                | (745)                   | -0.2%                   | 3,708                   | (4,453)                        |

**P12 Outturn Forecast - 2019/20 SLT Revenue Budget Monitoring Forecast by Service**

| Dir.    | Service  | 2019/20<br>Net Budget | 2019/20<br>Actual | 19/20<br>Draft<br>Variance<br>Before<br>Adj's | One Off / Adjustments  |  |                    | Variance<br>After Adj's | Variance<br>After Adj's | Variance<br>Last Period | Change<br>Since Last<br>Period |
|---------|--|-----------------------|-------------------|---|------------------------|--|--------------------|-------------------------|-------------------------|-------------------------|--------------------------------|
|         |  |                       |                   |   | Transfer to<br>Capital | Proposed<br>Withdrawal<br>from<br>Reserves /<br>Grants | Proposed<br>C/Fwds |                         |                         |                         |                                |
|         |  | £000                  | £000              | £000  | £000                   | £000   | £000               | £000                    | %                       | £000                    | £000                           |
| FIN     | Financial Services                                   | 904                   | 982               | 78  |                        | (64)   |                    | 14                      | 1.5%                    | 130                     | (116)                          |
| FIN     | Financing Transactions (Borrowing and Investments)   | 13,893                | 12,451            | (1,442)                                       |                        |  |                    | (1,442)                 | -10.4%                  | (1,200)                 | (242)                          |
| FIN     | MRP  | 10,782                | 4,466             | (6,316)                                       |                        |  | 6,316              | 0                       | 0.0%                    | 0                       | 0                              |
| FIN     | Contributions and Precepts                           | 251                   | 248               | (3)   |                        |  |                    | (3)                     | -1.2%                   | 0                       | (3)                            |
| FIN     | Pension Fund Backfunding Liabilities                 | 5,981                 | 5,663             | (318)   |                        |  |                    | (318)                   | -5.3%                   | (217)                   | (101)                          |
| FIN     | Miscellaneous Whole Organisation Services            | (64)                  | (285)             | (221)   |                        |  |                    | (221)                   | 345.3%                  | (364)                   | 143                            |
| FIN     | New Homes Bonus Grant Income                         | (2,614)               | (2,615)           | (1)   |                        |  |                    | (1)                     | 0.0%                    | 0                       | (1)                            |
| FIN     | Whole Organisation - Contingency                     | 1,750                 | 0                 | (1,750)                                       |                        |  |                    | (1,750)                 | -100.0%                 | (1,750)                 | 0                              |
| FIN     | Bad Debt Provision                                   | 0                     | 861               | 861   |                        |  |                    | 861                     | -                       |                         | 861                            |
| FIN     | COVID-19   | 0                     | 414               | 414   |                        | (414)  |                    | 0                       | -                       |                         | 0                              |
| FIN     | <b>Finance / Corporate Items</b>                     | <b>30,883</b>         | <b>22,185</b>     | <b>(8,698)</b>                                | <b>0</b>               | <b>(478)</b>   | <b>6,316</b>       | <b>(2,860)</b>          | <b>-9.3%</b>            | <b>(3,401)</b>          | <b>541</b>                     |
| NON     | Organisation Review                                  | (3,000)               |                   | 3,000   |                        |  |                    | 3,000                   | -100.0%                 | 2,385                   | 615                            |
| NON     | Commercial Savings                                   | (2,965)               |                   | 2,965   |                        |  |                    | 2,965                   | -100.0%                 | 3,465                   | (500)                          |
| NON     | Financial Risk Reserve                               | 0                     | 0                 | 0   |                        | (3,000)  |                    | (3,000)                 | -                       | (3,000)                 | 0                              |
| NON     | Review of former ESG Grant funded areas              | (100)                 | 0                 | 100   |                        |  |                    | 100                     | -100.0%                 | 100                     | 0                              |
| NON     | Agency Leave / Staff Leave Purchase Scheme           | (800)                 | 0                 | 800   |                        |  |                    | 800                     | -100.0%                 | 800                     | 0                              |
| NON     | <b>Non-Assigned Items</b>                            | <b>(6,865)</b>        | <b>0</b>          | <b>6,865</b>                                  | <b>0</b>               | <b>(3,000)</b>   | <b>0</b>           | <b>3,865</b>            | <b>-56.3%</b>           | <b>3,750</b>            | <b>115</b>                     |
| TRF     | Funding - Transfer From Reserves                     | (2,247)               | 0                 | 2,247   | 0                      | (2,247)  | 0                  | 0                       | -                       |                         | 0                              |
| TRF     | <b>Funding - Transfer From Reserves</b>              | <b>(2,247)</b>        | <b>0</b>          | <b>2,247</b>                                  | <b>0</b>               | <b>(2,247)</b>   | <b>0</b>           | <b>0</b>                | <b>0.0%</b>             | <b>0</b>                | <b>0</b>                       |
| Total   | <b>Total (Excl DSG)</b>                              | <b>330,390</b>        | <b>334,520</b>    | <b>4,131</b>                                  | <b>(835)</b>           | <b>(10,294)</b>  | <b>7,258</b>       | <b>259</b>              | <b>0.1%</b>             | <b>4,057</b>            | <b>(3,797)</b>                 |
| Funding | Council Tax  | (264,428)             | (264,428)         | 0   |                        |  |                    | 0                       | 0.0%                    |                         | 0                              |
| Funding | Collection Fund (Surplus) / Deficit                  | (1,721)               | (1,721)           | 0   |                        |  |                    | 0                       | 0.0%                    |                         | 0                              |
| Funding | Business Rates Retention Scheme                      | (62,550)              | (62,550)          | 0   |                        |  |                    | 0                       | 0.0%                    |                         | 0                              |
| Funding | Business Rates Reserve                               | (1,691)               | 0                 | 1,691   |                        | (1,691)  |                    | 0                       | 0.0%                    |                         | 0                              |
| Total   | <b>Total - Funding</b>                               | <b>(330,390)</b>      | <b>(328,699)</b>  | <b>1,691</b>                                  | <b>0</b>               | <b>(1,691)</b>   | <b>0</b>           | <b>0</b>                | <b>0.0%</b>             | <b>0</b>                | <b>0</b>                       |
|         | <b>Grand Total - Services and Funding (Excl DSG)</b> | <b>0</b>              | <b>5,821</b>      | <b>5,822</b>                                  | <b>(835)</b>           | <b>(11,985)</b>  | <b>7,258</b>       | <b>259</b>              |                         | <b>4,057</b>            | <b>(3,797)</b>                 |
|         | <b>Dedicated Schools Grant (DSG)</b>                 | <b>0</b>              | <b>5,593</b>      | <b>5,593</b>                                  | <b>0</b>               | <b>(5,593)</b>   | <b>0</b>           | <b>0</b>                |                         | <b>0</b>                | <b>0</b>                       |
|         | <b>Total</b>   | <b>0</b>              | <b>11,414</b>     | <b>11,415</b>                                 | <b>(835)</b>           | <b>(17,578)</b>  | <b>7,258</b>       | <b>259</b>              | <b>0.1%</b>             | <b>4,057</b>            | <b>(3,797)</b>                 |

**P12 Outturn Forecast - 2019/20 SLT Revenue Budget Monitoring Forecast by Service**
**Directorate Variances over £250,000**

|      |  | Budget | Projection | Variance |            |   |
|------|--|--------|------------|----------|------------|---|
| Dir. | Service  | £000   | £000       | £000     | Variance % | Comment   |
| DAS  | Older People                                       | 53,685 | 59,446     | 5,761    | 10.7%      | Increase in number and unit cost of residential and nursing packages.   |
| DAS  | Learning Disabilities                              | 59,362 | 57,534     | (1,828)  | -3.1%      | Reduction on res & nursing and dom care placements compared to budget with an increase in supported living placements   |
| DAS  | Mental Health                                      | 15,812 | 16,281     | 469      | 3.0%       | Increase in forecast number and unit cost of residential, nursing and domiciliary care placements.  |
| DAS  | Support Services                                   | (317)  | (702)      | (385)    | 121.6%     | Additional income from recovery of Direct Payment overpayments and use of Transformation Fund for one-off project spend.  |
| DAS  | BCF  | 99     | (664)      | (763)    | -770.7%    | Use of additional BCF funding in year.  |
| FIN  | MRP  | 10,782 |            | (6,316)  | -58.6%     | 19/20 MRP and PFI Saving from policy change   |
| FIN  | Financing Transactions (Borrowing and Investments) | 13,893 | 12,451     | (1,442)  | -10.4%     | Defer planned external borrowing whilst cash balances are strong and no significant forecast for interest rate rises.   |
| FIN  | Whole Organisation - Contingency                   | 1,750  |            | (1,750)  | -100.0%    | Release of corporate contingency to reduce whole organisation overspend   |
| FIN  | Pension Fund Backfunding Liabilities               | 5,981  | 5,663      | (318)    | -5.3%      | Reduced past service pension costs  |
| FIN  | Bad Debt Provision                                 |        | 861        | 861      | -          | Increase in the corporate Bad Debt Provision  |
| E&I  | Waste contract (excl reserve contribution)         | 27,288 | 30,535     | 3,247    | 11.9%      | Outstanding savings target of £3.690m offset by operational savings of -£827k(-£355k inflationary; -£350k Trade Waste; reduced tonnages of £100k and misc -£112k) with the remaining balance of £2.943m being funded from the Waste Reserve |
| E&I  | Waste Contract (reserve contribution)              |        | (2,943)    | (2,943)  |            |   |
| E&I  | Total Waste variation                              | 27,288 | 27,592     | 304      | 1.1%       |   |
| E&I  | Street Lighting Energy Cost                        | 2,638  | 2,924      | 286      | 10.8%      | Inflationary price change £77k and usage forecast £209k   |
| E&I  | Transportation                                     | 10,596 | 10,185     | (411)    | -3.9%      | The Service has forecast reduced Concessionary Fares of -£200k and additional Driver Training income of -£184k and misc net income of £25k  |
| CEX  | HR & Organisational                                | 3,992  | 3,745      | (247)    | -6.2%      | Due to underspend of Talent Management Programme  |
|      |  |        |            |          |            |   |

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**P12 Outturn Forecast - 2019/20 SLT Revenue Budget Monitoring Forecast by Service  
Transfer to Capital**

| Dir.         | Service                                     | Capitalisation - Detail  | £000         |
|--------------|---|--|--------------|
| CEX          | Chief Executive                             |  | (153)        |
| COACH        | Legal and Democratic Services               | Funded by receipts. Staffing capitalisations                   | (64)         |
| COACH        | Service Transformation (Customer Servs,ICT) | Staffing capitalisations. Funded by Technology project budgets | (40)         |
| COACH        | Programme Office                            | Full service staffing capitalisations.                         | (579)        |
|              |   |  |              |
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|              |   |  |              |
| <b>Total</b> |   |  | <b>(835)</b> |

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**P12 Outturn Forecast - 2019/20 SLT Revenue Budget Monitoring Forecast by Service**  
**Proposed withdrawal from Reserves / Grants**

| Dir.         | Service                                       | Use of Grants - Detail  | £000            |
|--------------|---|---|-----------------|
| COACH        | COACH - Management                            | Brexit Grant receipt  | (175)           |
| COACH        | Legal and Democratic Services                 | Grants and divisional funds   | (614)           |
| COACH        | Commercial Team                               | £191k use of Transformation Fund. £10k grants   | (202)           |
| COACH        | Property Services                             | £520k Grants, £100k transformation fund   | (620)           |
| COACH        | Service Transformation (Customer Servs,ICT)   | £48k Grants, £37k transformation  | (84)            |
| COACH        | Programme Office                              | Transformation Fund   | (940)           |
| CEX          | Chief Executive                               | £96k grant  | (96)            |
| CEX          | HR & Organisational                           | Grants  | (209)           |
| DAS          | Older People                                  | Use of grants to support Adults expenditure   | (795)           |
| FIN          | Financial Services                            | Fund LR Accountant agency costs from business reserves  | (64)            |
| NON          | Financial Risk Reserve                        | Agreed funding from Financial Risk Reserve to cover deferrment of savings programme               | (3,000)         |
| TRF          | Funding - Transfer From Reserves              | 19/20 Approved Budget included withdrawal from 75% Business Rates Pool Gain or Earmarked Reserves | (2,247)         |
| Funding      | Business Rates Reserve                        | Planned withdrawal from Business Rates reserve  | (1,691)         |
| FIN          | COVID-19                                      | COVID-19 Corporate Expenditure funded from COVID grant  | (414)           |
| E&I          | Waste Services                                | £100k from waste reserve, £669k Bellwin threshold funded from Financial Risk Reserve              | (769)           |
| DSG          | DSG   | Withdraw from DSG reserves to cover expenditure incurred  | (5,593)         |
| DSG          | Children, Families and Communities (Excl DSG) | Safeguarding  | (66)            |
| <b>Total</b> |   |   | <b>(17,578)</b> |

| Reserve        | Grant          |
|----------------|----------------|
|                | (175)          |
| (551)          | (63)           |
| (192)          | (10)           |
| (100)          | (520)          |
| (37)           | (47)           |
| (940)          |                |
|                | (96)           |
|                | (209)          |
|                | (795)          |
| (64)           |                |
| (3,000)        |                |
| (2,247)        |                |
| (1,691)        |                |
|                | (414)          |
| (769)          |                |
|                | (5,593)        |
|                | (66)           |
|                |                |
| <b>(9,591)</b> | <b>(7,988)</b> |

Use of Reserves (9,591)  
 Grants (7,988)  
**(17,578)**

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**P12 Outturn Forecast - 2019/20 SLT Revenue Budget Monitoring Forecast by Service**  
**Proposed Carry Forwards**

| Dir.         | Service                       | Transfer to / (From) Reserves   | £000         |
|--------------|-------------------------------|---|--------------|
| COACH        | COACH - Management            | Brexit Grant Reserve  | 175          |
| COACH        | Property Services             | £140k Future Cap Inv Reserve - Rev Contribution to Capital Smallholdings, £200k Scientific Services property works, | 380          |
| COACH        | Legal and Democratic Services | Elections   | 109          |
| COACH        | Property Services             | Contribution to Smallholdings capital expenditure   | 140          |
| CEX          | HR & Organisational           | HR reserve  | 100          |
| CEX          | Contents & Communications     | Local Strategic Partnership funding   | 38           |
| FIN          | MRP                           | MRP underspend from agreed accounting policy change carred forward to financial risk reserve                        | 6,316        |
|              |                               |   |              |
|              |                               |   |              |
|              |                               |   |              |
| <b>Total</b> |                               |   | <b>7,258</b> |

| Reserve      | Grant      |
|--------------|------------|
|              | 175        |
| 380          |            |
| 109          |            |
| 140          |            |
| 100          |            |
|              | 38         |
| 6,316        |            |
|              |            |
|              |            |
| <b>7,045</b> | <b>213</b> |

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## Proposed Earmarked Reserves 2019/20

|  | Balance at<br>31 March<br>2019 | Transfers out | Transfers in | Balance at<br>31 March<br>2020 | Purpose of the reserve  |
|--|--------------------------------|---------------|--------------|--------------------------------|---|
|  | £m                             | £m            | £m           | £m                             |   |
| <b>Open for Business</b>                             |                                |               |              |                                |   |
| Revolving Investment Fund                            | 4.5                            | -0.3          | 0.7          | 4.9                            | Investment in the local economy which delivers income to support future investment  |
| Open for Business                                    | 3.9                            |               |              | 3.9                            | Supporting measures to grow our local economy   |
| Local Authority Business Growth Initiative           | 0.6                            |               |              | 0.6                            | Residual Local Authority Business Growth Initiative funding   |
| Sub regional mineral plan                            | 0.6                            | -0.2          | 0.2          | 0.6                            | Funds held to support the delivery of the sub regional mineral plan   |
| Growing Places reserve                               | 2.4                            | -0.5          | 1            | 2.9                            | Supporting growth in the local economy  |
| Regional Improvement and Efficiency Reserve          | 0.7                            | -0.7          |              | 0                              | Money held for the Regional Improvement and Efficiency Programme (the County Council are the administering authority)   |
| Other  | 0.4                            |               | 0.4          | 0.8                            | Lower value reserves covering, for example, apprenticeships   |
| <b>Children &amp; Families</b>                       |                                |               |              |                                |   |
| Safeguarding   |                                |               | 1.1          | 1.1                            | Risk reserve maintained to support unexpected safeguarding costs that could arise through the contract with Worcester Children First.   |
| Revenue grants unapplied                             | 4                              | -2.4          | 2.1          | 3.7                            | Grants held by the service for draw down as required  |
| <b>The Environment</b>                               |                                |               |              |                                |   |
| Regeneration and Infrastructure                      | 3                              | -3            | 0.5          | 0.5                            | Supporting measures to grow our local economy   |
| Revenue grants unapplied                             | 0.4                            |               |              | 0.4                            | Grants held by the service for draw down as required  |
| <b>Health and Wellbeing</b>                          |                                |               |              |                                |   |
| Public Health  | 6.2                            | -1.9          | 2.1          | 6.4                            | Balances from the Ring-fenced Public Health Grant held to support the service against future changes in funding   |
| Revenue grants unapplied                             | 0.1                            |               | 0.2          | 0.3                            | Grants held by the service for draw down as required  |
| <b>Efficient Council</b>                             |                                |               |              |                                |   |
| Transformation / Change Reserve                      | 5.3                            | -3.4          | 2.4          | 4.3                            | Financing invest to save schemes to change the shape and design of the County Council   |
| Digital Reserve                                      | 3                              |               |              | 3                              | Supporting the development of digitally enabled operations as part of the organisational review   |
| Elections  | 0.2                            |               | 0.1          | 0.3                            | Annual amounts set aside to provide County Council elections, which happen every 4 years  |
| Property Management                                  | 0.5                            |               | 0.1          | 0.6                            | Funding for property-related expenditure  |
| Insurance  | 8.4                            | -0.5          | 1.3          | 9.2                            | Covering claims below the County Council's insurance policy excess  |
| Business Rates Pool                                  | 9.8                            | -13.2         | 20.2         | 16.8                           | To enable smoothing of the impact of changes to the Business Rates retention across the Pool and changes in national funding levels, including rate appeal losses and any fall in rates collected |
| Coroners Major Inquests                              | 0.2                            |               | 0.2          | 0.4                            | Amounts set aside to cover significant inquest costs  |
| Councillors Divisional Fund                          | 0.6                            | -0.5          | 1.1          | 1.2                            | Funds to support Councillors' local discretionary spend   |
| Fleet Surplus Reserve                                | 0.4                            | -0.3          |              | 0.1                            | Fleet support   |
| Future Capital Investment                            | 1.8                            | -0.6          | 0.3          | 1.5                            | Monies set aside to fund future planned capital expenditure   |
| Financial Services Reserve                           | 1.6                            |               |              | 1.6                            | Funding to support the employers' pension contributions   |
| Financial Risk Reserve                               | 5.5                            | -7.2          | 8.3          | 6.6                            | Amount set aside to support financial risk  |
| <b>Other reserves (not available for core spend)</b> |                                |               |              |                                |   |
| Schools balances held under delegation               | 5.6                            | -5.6          | 1.4          | 1.4                            | Balances held for individual maintained schools   |
| Schools ICT PFI Reserve                              | 0.4                            | -0.2          |              | 0.2                            | PFI grant funding supporting the ongoing delivery of the programme  |
| Bromsgrove High School PFI Advance                   | 1.7                            | -0.1          |              | 1.6                            | PFI grant funding supporting the ongoing delivery of the programme  |
| DSG c/fwd Balance Reserve                            | -0.7                           | -7.2          | 1.6          | -6.3                           | Dedicated Schools Grant unallocated or unspent balances   |
| Waste Contract PFI Grant                             | 10.4                           | -7.5          | 4.8          | 7.7                            | To fund pressures relating to the increase on household waste disposal costs as the number of households in the County increases  |
| <b>Total</b>   | <b>81.5</b>                    | <b>-55.3</b>  | <b>50.1</b>  | <b>76.3</b>                    |   |

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| Unique Reference No. | Savings Targets   | DIR   | 2019-2020               |                 |            |               |               |                                   |                        |                        |                    |                  |
|----------------------|---|-------|-------------------------|-----------------|------------|---------------|---------------|-----------------------------------|------------------------|------------------------|--------------------|------------------|
|                      |   |       | 2018/19 MTFP b/f £'000s | 18/19 JDI unmet | 19/20 MTFP | offset growth | 19/20 in year | 19/20 Total Savings Target £'000s | 19/20 Delivered £'000s | 19/20 On Target £'000s | 19/20 Amber £'000s | 19/20 Red £'000s |
| SALL01               | Organisation Redesign and reshaping for the future  | ALL   | 0                       |                 | 3,000      |               |               | 3,000                             | 467                    |                        |                    | 2,533            |
| SALL04               | Agency and Matrix Contract Review   | ALL   | 0                       | 200             | 600        |               |               | 800                               |                        |                        |                    | 800              |
| SALL09               | Commercial Saving Opportunities (includes SALL05 - Tail spend as JDI Brought forward)   | ALL   | 0                       | 500             | 2,500      | 500           |               | 3,500                             |                        |                        |                    | 3,500            |
| SALL10               | Review of former Education Services Grant   | ALL   | 0                       |                 | 100        |               |               | 100                               |                        |                        |                    | 100              |
| SCFC04               | Education Services - A review of the internal and contracted services relating to provision of education and skills will be undertaken to reduce expenditure in the region of £280,000 over the 3 year period.  | CFC   | 0                       |                 | 70         |               |               | 70                                | 70                     |                        |                    |                  |
| SCFC05               | Staffing savings - Through a mix of reorganisation to ensure we have the most effective staffing structure in place to integrate work flow and contract efficiencies a budget reduction of approximately £155,000 is forecast over the medium term.   | CFC   | 0                       |                 | 50         |               |               | 50                                | 50                     | 0                      | 0                  |                  |
| SCFC06               | Adoption - Adoption Services are currently moving towards a new model of delivery by transferring to the Adoption Central England (ACE) Regional Adoption Agency in February 2018. This, together with a reorganisation of the services and associated staff that are out of scope for the transfer could generate a saving of £346,000 over the 3 year period.   | CFC   | 0                       |                 | 26         |               |               | 26                                | 26                     |                        |                    |                  |
| SCFC13               | Commissioning Service Redesign  | CFC   | 0                       |                 | 75         |               |               | 75                                | 75                     |                        |                    |                  |
| SCFC16               | CFC Tailspend JDI from 2018/19  | CFC   | 0                       | 430             |            |               |               | 430                               | 430                    |                        |                    |                  |
| SCFC27               | Housing Support Contracts Review  | CFC   | 0                       |                 | 19         |               |               | 19                                | 19                     |                        |                    |                  |
| SCFC28               | Closure of Residential Homes - offsets Placements Growth, is part of the shift in balance to Edge of Care funding.  | CFC   | 0                       |                 |            | 2,650         |               | 2,650                             | 2,650                  |                        |                    |                  |
| SCFC09               | Libraries - Through a combination of property remodelling, looking at innovative ways to deliver the service, reduction in costs as well as generating income, efficiencies are expected to be made over the 3 years totalling £1m in future years (reduced to £800k as part of 19/20 MTFP), in consultation with the public, a new model for library services will be investigated.  | Com   | 254                     |                 | 145        |               |               | 399                               | 399                    |                        |                    |                  |
| SC&C14               | IT Technical Support to Worcestershire County Council - ICT Managed Service Contract was let in December 2014 with an operational start date of February 2018. The contract covered computers, mobile phones, telephony servers, storage, wireless access points and audio visual equipment and equipment support (eg council chamber webcast). As the contract has progressed it is becoming increasing clear that the IT landscape around which the contract was awarded has changed and it is expected that this will continue to evolve. The proposal is for the support to the items outline above is delivered through a WCC based team. This would enable the Council to have greater control and increased responsiveness to emerging IT demand, whilst being able to access specialist IT expertise when required. This work stream would be delivered during 2018 | COaCH | 250                     |                 | 50         |               |               | 300                               | 300                    |                        |                    |                  |

| Unique Reference No. | Savings Targets  | DIR   | 2019-2020               |                 |            |               |               |                                   |                        |                        |                    |                  |
|----------------------|--|-------|-------------------------|-----------------|------------|---------------|---------------|-----------------------------------|------------------------|------------------------|--------------------|------------------|
|                      |  |       | 2018/19 MTFP b/f £'000s | 18/19 JDI unmet | 19/20 MTFP | offset growth | 19/20 in year | 19/20 Total Savings Target £'000s | 19/20 Delivered £'000s | 19/20 On Target £'000s | 19/20 Amber £'000s | 19/20 Red £'000s |
| SC&C20               | COaCH Operating Model/Service Restructure                              | COaCH | 0                       |                 | 138        |               |               | 138                               | 138                    |                        |                    |                  |
| SC&C32               | Review of reception costs  | COaCH | 0                       | 20              |            |               |               | 20                                | 20                     |                        |                    |                  |
| SDAS02               | Review of Learning Disabilities Day Services / 12 week Connect Service | DAS   | 0                       |                 | 772        |               |               | 772                               | 772                    |                        |                    |                  |
| SDAS05               | Advocacy Joint Commissioning   | DAS   | 0                       |                 | 50         |               |               | 50                                |                        |                        |                    | 50               |
| SDAS07               | External Provider Training - full cost recovery                        | DAS   | 0                       |                 | 90         |               |               | 90                                | 90                     |                        |                    |                  |
| SDAS09               | Technology enabled care  | DAS   | 0                       |                 | 235        |               |               | 235                               | 235                    |                        |                    |                  |
| SDAS14               | Introduce charging for brokerage for self funders                      | DAS   | 0                       |                 |            | 35            |               | 35                                | 10                     |                        |                    | 25               |
| SDAS15               | Rationalise support for people with sensory impairment                 | DAS   | 0                       |                 |            | 45            |               | 45                                |                        |                        |                    | 45               |
| SDAS16               | Robust spend control measures  | DAS   | 0                       | 465             |            | 465           |               | 930                               | 440                    |                        |                    | 490              |
| SDAS17               | Capitalise finance transformational spend                              | DAS   | 0                       |                 |            | 250           |               | 250                               |                        |                        |                    | 250              |
| SDAS21               | Commissioning and quality assurance review                             | DAS   | 0                       |                 |            | 163           |               | 163                               | 163                    |                        |                    |                  |
| SDAS22               | Social work capacity in hospitals                                      | DAS   | 0                       |                 |            | 180           |               | 180                               | 180                    |                        |                    |                  |
| SDAS24               | Care package review project  | DAS   | 0                       |                 | 380        |               |               | 380                               | 380                    |                        |                    |                  |
| SDAS26               | Close the Grange   | Com   | 0                       |                 | 1,230      |               |               | 1,230                             | 1,230                  |                        |                    |                  |
| SDAS28               | Minor adaptations funding  | DAS   | 195                     |                 | 280        |               |               | 475                               | 315                    |                        |                    | 160              |
| SDAS29               | Remove 50% rapid response / OOH resource in localities                 | DAS   | 0                       |                 |            | 200           |               | 200                               | 200                    |                        |                    |                  |
| SDAS30               | Resetting the relationship with Worcestershire Health and Care Trust   | DAS   | 0                       |                 | 250        |               |               | 250                               |                        |                        |                    | 250              |
| SDAS31               | Non-statutory support for LD clients                                   | DAS   | 0                       |                 |            | 98            |               | 98                                | 98                     |                        |                    |                  |
| SDAS33               | Review current charging mechanisms, policies and procedures            | DAS   | 0                       |                 | 450        |               |               | 450                               | 450                    |                        |                    |                  |
| SDAS34               | Supporting service users to move to extra care residencies             | DAS   | 0                       |                 | 140        |               |               | 140                               | 140                    |                        |                    |                  |
| SDAS35               | Supporting service users to move to supported living                   | DAS   | 0                       |                 | 300        |               |               | 300                               | 300                    |                        |                    |                  |
| SDAS36               | Case management approach for CHC funding                               | DAS   | 0                       |                 | 500        |               |               | 500                               | 500                    |                        |                    |                  |
| SDAS37               | Roll out of 3 conversation model                                       | DAS   | 0                       |                 | 1,830      |               |               | 1,830                             | 1,830                  |                        |                    |                  |
| SDAS38               | Maximising Benefits Income for Service Users                           | DAS   | 0                       |                 | 165        |               |               | 165                               | 165                    |                        |                    |                  |

| Unique Reference No. | Savings Targets  | DIR | 2019-2020               |                 |            |               |               |                                   |                        |                        |                    |                  |
|----------------------|--|-----|-------------------------|-----------------|------------|---------------|---------------|-----------------------------------|------------------------|------------------------|--------------------|------------------|
|                      |  |     | 2018/19 MTFP b/f £'000s | 18/19 JDI unmet | 19/20 MTFP | offset growth | 19/20 in year | 19/20 Total Savings Target £'000s | 19/20 Delivered £'000s | 19/20 On Target £'000s | 19/20 Amber £'000s | 19/20 Red £'000s |
| SE&I02               | Review of the expenditure budgets within street lighting | E&I | 200                     |                 |            |               |               | 200                               |                        |                        |                    | 200              |
| SE&I03               | Archives   | Com | 0                       |                 | 250        |               |               | 250                               | 250                    |                        |                    |                  |
| SE&I07               | Use of Grant / other income to fund more revenue costs   | E&I | 0                       | 140             |            |               |               | 140                               | 140                    |                        |                    |                  |
| SE&I08               | Reduce Discretionary Spend                               | E&I | 0                       | 110             |            |               |               | 110                               | 110                    |                        |                    |                  |
| SE&I09               | E&I Proposed Redesign                                    | E&I | 0                       |                 | 1,100      |               |               | 1,100                             | 1,100                  |                        |                    |                  |
| SE&I12               | County Enterprises                                       | E&I | 0                       |                 | 70         |               |               | 70                                | 70                     |                        |                    |                  |
| SE&I13               | Development Control (Highways)                           | E&I | 0                       |                 | 90         |               |               | 90                                |                        |                        |                    | 90               |
| SE&I18               | Review of the expenditure within waste management        | E&I | 800                     |                 | 3,000      |               |               | 3,800                             |                        |                        |                    | 3,800            |
| SFIN09               | Finance Service Restructure                              | FIN | 0                       | 100             | 250        |               |               | 350                               | 350                    |                        |                    |                  |
| SFIN11               | Insurance Contracts                                      | FIN | 0                       |                 | 157        |               |               | 157                               | 157                    |                        |                    |                  |
| SFIN13               | Internal Audit   | FIN | 0                       | 25              |            |               |               | 25                                | 25                     |                        |                    |                  |
| SFIN18               | Debt Restructuring                                       | FIN | 0                       |                 | 1,500      |               |               | 1,500                             | 1,500                  |                        |                    |                  |
|                      |  |     | 1,699                   | 1,990           | 19,862     | 4,586         | 0             | 28,137                            | 15,844                 | 0                      | 0                  | 12,293           |
|                      |  |     |                         |                 |            |               |               |                                   | 28,137                 |                        |                    |                  |

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## Capital Programme 2019/20 to 2022/23 Onwards

|                             | BUDGET         | YEAR-END       | VARIANCE       | VARIANCE    | LATEST         | LATEST        | LATEST       |
|-----------------------------|----------------|----------------|----------------|-------------|----------------|---------------|--------------|
|                             | 2019/20        | OUTTURN        | 2019/20        | 2019/20     | FORECAST       | FORECAST      | FORECAST     |
|                             |                | 2019/20        |                |             | 2020/21        | 2021/22       | 2022/23      |
| TOTAL EXPENDITURE           | £000           | £000           | £000           | %           | £000           | £000          | and Beyond   |
|                             |                |                |                |             | £000           |               | £000         |
| CHILDREN AND FAMILIES       | 26,364         | 9,834          | -16,530        | -63%        | 10,015         |               |              |
| OPEN FOR BUSINESS           | 64,051         | 45,452         | -18,602        | -29%        | 68,418         | 10,884        |              |
| THE ENVIRONMENT             | 52,648         | 38,636         | -14,009        | -27%        | 52,565         | 14,347        | 2,023        |
| HEALTH & WELL-BEING         | 6,599          | 4,070          | -2,529         | -38%        | 2,021          |               |              |
| EFFICIENCY & TRANSFORMATION | 10,608         | 6,568          | -4,040         | -38%        | 7,375          | 5,620         | 5,056        |
| <b>TOTAL</b>                | <b>160,270</b> | <b>104,560</b> | <b>-55,710</b> | <b>-35%</b> | <b>140,394</b> | <b>30,851</b> | <b>7,079</b> |

|  | LATEST<br>FORECAST<br>2019/20 | YEAR-END<br>OUTTURN<br>2019/20 | VARIANCE<br>2019/20 | VARIANCE<br>2019/20 | LATEST<br>FORECAST<br>2020/21 | LATEST<br>FORECAST<br>2021/22 | LATEST<br>FORECAST<br>2022/23<br>and Beyond |
|--|-------------------------------|--------------------------------|---------------------|---------------------|-------------------------------|-------------------------------|---|
| Children and Families  | £000                          | £000                           | £000                | %                   | £000                          | £000                          | £000  |
| - The Chantry High School Expansion  | 131                           | 109                            | -22                 | -17%                |                               |                               |   |
| - Nunnery Wood High School Expansion   | 1,000                         | 764                            | -236                | -24%                | 248                           |                               |   |
| - Christopher Whitehead High School Expansion  | 22                            | 7                              | -15                 | -68%                |                               |                               |   |
| - Rushwick Primary School Expansion  | 130                           |                                | -130                | -100%               |                               |                               |   |
| - Bengeworth 1st   | 139                           |                                | -139                | -100%               |                               |                               |   |
| - Social Care Projects   | 254                           | 217                            | -37                 | -15%                |                               |                               |   |
| - Social Care Projects 17/18   | 159                           | 138                            | -21                 | -13%                | 3,302                         |                               |   |
| - Redditch S.77 Projects   | 12                            | 12                             |                     |                     |                               |                               |   |
| - Evesham St Andrews   | 130                           | 1                              | -129                | -99%                |                               |                               |   |
| - Leigh and Bransford  | 134                           | 57                             | -77                 | -57%                | 88                            |                               |   |
| - Holyoaks Field 1st School  | 3,000                         | 936                            | -2,064              | -69%                | 2,902                         |                               |   |
| - Worcester Library and History Centre (Non - PFI capital costs)                           | 174                           | 27                             | -147                | -84%                |                               |                               |   |
| - Redditch Library   | 131                           | 12                             | -119                | -91%                |                               |                               |   |
| - Kidderminster Library  | 84                            | 6                              | -78                 | -93%                |                               |                               |   |
| - Flexible use of Capital Receipts   |                               |                                |                     |                     | 133                           |                               |   |
| - Major Schemes - Residual   | 304                           | 250                            | -54                 | -18%                |                               |                               |   |
| - Capital Maintenance  | 7,773                         | 978                            | -6,795              | -87%                |                               |                               |   |
| - Basic Need   | 10,028                        | 3,135                          | -6,893              | -69%                | 3,100                         |                               |   |
| - School Managed Schemes (Inc. Universal Infant School meals and Devolved Formula Capital) | 2,157                         | 2,525                          | 368                 | 17%                 |                               |                               |   |
| - EFA Extension of Provision (Early Years)   | 259                           |                                | -259                | -100%               |                               |                               |   |
| - Healthy Pupil  |                               | 73                             | 73                  |                     |                               |                               |   |
| - Special Provision  |                               | 391                            | 391                 |                     |                               |                               |   |
| - Libraries Minor Works  | 343                           | 196                            | -147                | -43%                | 100                           |                               |   |
| - Composite Sums - Residual  |                               |                                |                     |                     | 142                           |                               |   |
| <b>TOTAL</b>   | <b>26,364</b>                 | <b>9,834</b>                   | <b>-16,530</b>      | <b>-63%</b>         | <b>10,015</b>                 |                               |   |

|  | LATEST<br>FORECAST<br>2019/20 | YEAR-END<br>OUTTURN<br>2019/20 | VARIANCE<br>2019/20 | VARIANCE<br>2019/20 | LATEST<br>FORECAST<br>2020/21 | LATEST<br>FORECAST<br>2021/22 | LATEST<br>FORECAST<br>2022/23<br>and Beyond |
|--|-------------------------------|--------------------------------|---------------------|---------------------|-------------------------------|-------------------------------|---|
| Open for Business  | £000                          | £000                           | £000                | %                   | £000                          | £000                          | £000  |
| - Open For business  | 1,000                         |                                | -1,000              | -100%               | 1,250                         | 750                           |   |
| - QinetiQ Land Purchase  | 1,001                         | 1                              | -1,000              | -100%               | 1,000                         |                               |   |
| - Worcester Technology Park  | 10                            | 11                             | 1                   | 9%                  | 10                            | 9                             |   |
| - Malvern Hills Science Park Scheme                                  | 339                           | 18                             | -321                | -95%                |                               |                               |   |
| - Local Broadband Plan Phase 1                                       | 0                             |                                | -0                  | -100%               | 3,310                         |                               |   |
| - Local Broadband Plan Phase 3                                       | 1,100                         | 510                            | -590                | -54%                | 2,796                         |                               |   |
| - A4440 WSLR Phase 4   | 24,273                        | 16,480                         | -7,793              | -32%                | 28,052                        | 3,917                         |   |
| - A38 Bromsgrove   | 5,784                         | 2,720                          | -3,064              | -106%               | 8,946                         | 269                           |   |
| - Kidderminster Churchfields   | 1,596                         | 1,658                          | 62                  | 4%                  | 2,971                         | 129                           |   |
| - Pershore Northern Infrastructure (including up to £5.1m from HIIF) | 2,298                         | 2,377                          | 79                  | 3%                  | 5,837                         | 2,501                         |   |
| - HIIF Projects  |                               |                                |                     |                     | 1,271                         |                               |   |
| - Capital Skills Programme   | 1,950                         | 1,950                          | -0                  | 0%                  | 222                           |                               |   |
| - Southern Link Dualling Phase 3                                     | 6,200                         | 5,477                          | -723                | -12%                | 1,045                         |                               |   |
| - Southern Link Dualling Phase 3 - Broomhall Way Footbridge          | 439                           | 409                            | -30                 | -7%                 | 3,110                         |                               |   |
| - Worcester Parkway Regional Interchange                             | 8,170                         | 6,850                          | -1,320              | -16%                |                               |                               |   |
| - Kidderminster Rail Station Enhancement                             | 3,269                         | 2,338                          | -931                | -28%                |                               |                               |   |
| - Railway Stations Upgrades / Extra Parking                          | 1,000                         | 359                            | -641                | -64%                | 2,900                         | 1,100                         |   |
| - Next Generation Economic Game Changer Sites                        | 500                           |                                | -500                | -100%               | 2,000                         | 1,500                         |   |
| - Town Centre Improvements:  |                               |                                |                     |                     |                               |                               |   |
| - Evesham  |                               | 10                             | 10                  |                     | 500                           |                               |   |
| - Redditch   | 50                            | 27                             | -23                 | -46%                | 450                           |                               |   |
| - Stourport  | 250                           | 214                            | -36                 | -14%                |                               |                               |   |
| - Worcester  | 100                           | 40                             | -60                 | -60%                | 1,150                         |                               |   |
| - Kidderminster Town Centre Phase 2                                  | 1,199                         | 1,546                          | 347                 | 29%                 |                               |                               |   |
| - Redditch Town Centre   | 103                           | 2                              | -101                | -98%                |                               |                               |   |
| - Worcester City Centre  | 1,025                         | 963                            | -62                 | -6%                 |                               |                               |   |
| - Malvern Public Realm   | 39                            |                                | -39                 | -100%               |                               |                               |   |
| - ERDF Capital Projects  | 2,356                         | 1,492                          | -864                | -76%                | 1,598                         | 709                           |   |
| <b>TOTAL</b>   | <b>64,051</b>                 | <b>45,452</b>                  | <b>-18,602</b>      | <b>-29%</b>         | <b>68,418</b>                 | <b>10,884</b>                 |   |
|  | LATEST<br>FORECAST<br>2019/20 | YEAR-END<br>OUTTURN<br>2019/20 | VARIANCE<br>2019/20 | VARIANCE<br>2019/20 | LATEST<br>FORECAST<br>2020/21 | LATEST<br>FORECAST<br>2021/22 | LATEST<br>FORECAST<br>2022/23<br>and Beyond |
| The Environment  | £000                          | £000                           | £000                | %                   | £000                          | £000                          | £000  |
| <b>Local Transport Plan:</b>   |                               |                                |                     |                     |                               |                               |   |
| - Structural Carriageway/Bridgeworks                                 | 28,599                        | 27,617                         | -982                | -3%                 | 27,338                        | 6,287                         |   |
| - Integrated Transport   | 1,107                         | 331                            | -776                | -70%                | 3,018                         | 213                           |   |
| <b>Major Schemes: Infrastructure</b>                                 |                               |                                |                     |                     |                               |                               |   |
| - Cutting Congestion:  |                               |                                |                     |                     |                               |                               |   |
| - A38 / A4104 Staggered Junction Upton                               | 300                           | 36                             | -264                | -88%                | 1,700                         |                               |   |
| - Evesham Town Centre  | 200                           | 26                             | -174                | -87%                | 800                           |                               |   |
| - Bromsgrove Town Centre   | 200                           | 33                             | -167                | -84%                | 800                           |                               |   |
| - Hoobrook Roundabout, Kidderminster                                 | 200                           | 75                             | -125                | -63%                | 800                           |                               |   |
| - Walking and Cycling Bridges:                                       |                               |                                |                     |                     |                               |                               |   |
| - River Severn - Keepax to Gheluvelt Park                            | 600                           | 290                            | -310                | -52%                | 900                           |                               |   |
| - River Severn - Sabrina Bridge refurbishment                        | 150                           | 1                              | -149                | -99%                | 2,350                         |                               |   |
| - Local Members Highways Fund  | 1,250                         | 324                            | -926                | -74%                | 1,250                         |                               |   |
| - Walk Cycle Route to Worc Parkway                                   | 185                           | 77                             | -108                | -58%                | 80                            |                               |   |
| - Green Deal Communities   | 44                            | 41                             | -3                  | -7%                 |                               |                               |   |
| - Investment Initiatives to Support Business and/or Green Technology | 998                           | 1                              | -997                | -100%               | 175                           | 151                           |   |
| - Energy Efficiency - Spend to Save                                  | 486                           | 24                             | -462                | -95%                |                               |                               |   |
| - Warm Homes Fund  | 103                           | 72                             | -31                 | -30%                | 203                           | 196                           | 23  |
| - Eastham Bridge   | 34                            | 16                             | -18                 | -53%                |                               |                               |   |
| - Pavement Improvement Programme                                     | 1,786                         | 1,700                          | -86                 | -5%                 | 4,000                         | 4,000                         |   |
| - Cutting Congestion Programme                                       | 10,777                        | 5,489                          | -5,288              | -49%                | 821                           |                               |   |
| - Cutting Congestion Programme - Phase 2                             |                               |                                |                     |                     | 5,000                         |                               |   |
| - Highway Flood Mitigation Measures                                  | 341                           | 757                            | 416                 | 122%                | 1,000                         | 1,000                         |   |
| - Worcester Transport Strategy                                       | 555                           | 112                            | -443                | -80%                |                               |                               |   |
| - Hoobrook Link Road - Pinch Points                                  | 301                           | 108                            | -193                | -64%                |                               |                               |   |
| - Public Rights of Way   | 300                           | 241                            | -59                 | -20%                |                               |                               |   |
| - Highways Capital Maintenance Costs                                 |                               |                                |                     |                     |                               | 1,000                         | 2,000                                       |
| - Highways Strategic Investment Fund                                 | 750                           | 583                            | -167                | -22%                | 750                           | 500                           |   |
| - Completion of Residual Schemes                                     | 128                           | 199                            | 71                  | 56%                 |                               |                               |   |
| - Vehicle Replacement Programme                                      | 1,325                         | 101                            | -1,224              | -92%                | 480                           |                               |   |
| - Street Column Replacement Programme                                | 1,926                         | 382                            | -1,544              | -80%                | 1,100                         | 1,000                         |   |
| - Highways Minor Works   |                               |                                |                     |                     |                               |                               |   |
| <b>TOTAL</b>   | <b>52,648</b>                 | <b>38,636</b>                  | <b>-14,009</b>      | <b>-27%</b>         | <b>52,565</b>                 | <b>14,347</b>                 | <b>2,023</b>                                |

|   | LATEST<br>FORECAST<br>2019/20 | YEAR-END<br>OUTTURN<br>2019/20 | VARIANCE<br>2019/20 | VARIANCE<br>2019/20 | LATEST<br>FORECAST<br>2020/21 | LATEST<br>FORECAST<br>2021/22 | LATEST<br>FORECAST<br>2022/23<br>and Beyond |
|---|-------------------------------|--------------------------------|---------------------|---------------------|-------------------------------|-------------------------------|---|
| Health and Well-Being   | £000                          | £000                           | £000                | %                   | £000                          | £000                          | £000  |
| <b>Major Schemes:</b>   |                               |                                |                     |                     |                               |                               |   |
| - Capital Investment in Community Capacity/ Specialised Housing | 2,000                         | 992                            | -1,008              | -50%                | 1,921                         |                               |   |
| - Care Act Capital  | 61                            |                                | -61                 | -100%               |                               |                               |   |
| - Social Care Case Management System Replacement                | 3,421                         | 2,283                          | -1,138              | -33%                |                               |                               |   |
| - IT Personalisation  |                               | 444                            | 444                 |                     |                               |                               |   |
| - Capital funding utilisation                                   | 336                           |                                | -336                | -100%               |                               |                               |   |
| - A&CS Minor Works  | 261                           | 90                             | -171                | -66%                | 100                           |                               |   |
| - Social Care Performance IT Enhancement                        | 520                           | 261                            | -259                | -50%                |                               |                               |   |
| <b>TOTAL</b>  | <b>6,599</b>                  | <b>4,070</b>                   | <b>-2,529</b>       | <b>-38%</b>         | <b>2,021</b>                  |                               |   |

|  | LATEST<br>FORECAST<br>2019/20 |              |               |             | LATEST<br>FORECAST<br>2020/21 | LATEST<br>FORECAST<br>2021/22 | LATEST<br>FORECAST<br>2022/23<br>and Beyond |
|--|-------------------------------|--------------|---------------|-------------|-------------------------------|-------------------------------|---|
| Efficiency and Transformation                                | £000                          |              |               |             | £000                          | £000                          | £000  |
| <b>Major Schemes:</b>  |                               |              |               |             |                               |                               |   |
| - Digital Strategy   | 3,410                         | 2,013        | -1,397        | -41%        | 2,720                         | 2,070                         | 1,506                                       |
| - Repair and Maintenance of a Longer Term Benefit (And BUoP) | 2,749                         | 959          | -1,790        | -65%        | 1,087                         |                               |   |
| - Stourport Library/ Coroners Relocation to Civic Centre     |                               |              |               |             | 18                            |                               |   |
| - Capitalised Transformation Costs                           | 4,449                         | 3,596        | -853          | -26%        | 3,550                         | 3,550                         | 3,550                                       |
| <b>TOTAL</b>   | <b>10,608</b>                 | <b>6,568</b> | <b>-4,040</b> | <b>-38%</b> | <b>7,375</b>                  | <b>5,620</b>                  | <b>5,056</b>                                |