

Cabinet**Thursday, 25 November 2010, County Hall, Worcester (10.00 a.m.)****Minutes****Present:**

Mr A I Hardman (Chairman), Mr A N Blagg, Mr S J M Clee, Mrs E A Eyre, Mr S E Geraghty, Mr W P Gretton, Mr M J Hart, Mr D W Prodger and Mr J H Smith

Also attended:

Mr R W Banks, Mr T J Bean, Mr M H Broomfield, Mr R A A Bullock, Mr J M Cairns, Mr J P Champion, Mrs P J M Morgan, Mr D F O Thain, Mrs E B Tucker and Mr T A L Wells

Available papers:

The members had before them:

- A. The Agenda papers (previously circulated);
- B. 'The Worcestershire Hub' – Report of the Worcestershire Hub Scrutiny Task Group (November 2010) (previously circulated);
- C. The Minutes of the meeting of the Cabinet held on 21 October 2010 (previously circulated).

(A copy of document A will be attached to the signed Minutes).

**1185. Apologies and
Declarations of
Interest
(Agenda item 1)**

In respect of item 6, Scrutiny Review – "The Worcestershire Hub" and item 8, Worcestershire Concessionary Travel Scheme, Mr A N Blagg, Mr S J M Clee, Mrs E A Eyre, Mr S E Geraghty, Mr A I Hardman, Mr M J Hart, Mr D W Prodger and Mr J H Smith declared personal interests in relation to their membership of a district council. Mr W P Gretton declared a personal interest in agenda item 8 given his eligibility for a bus pass.

**1186. Public
Participation
(Agenda item 2)**

None.

**1187. Confirmation of
Minutes
(Agenda item 3)**

RESOLVED: that the Minutes of the meeting held on 21 October 2010 be confirmed as a correct record and signed by the Chairman.

**1188. Pupil Admissions
Policy for**

The Cabinet had before it a report which set out that there was a statutory requirement for the County Council to consult on the admission arrangements for community and

**Community and
Voluntary
Controlled
Schools –
Academic Year
2012/13
(Agenda item 4)**

voluntary controlled schools. Following a recent Ombudsman's ruling on a case involving the Council the Schools Adjudicator had suggested that the Feeder School link in the Council's current Admissions Policy should not be used for applications to reception classes as there were no feeder school links and some parents could be confused with regard to the status of the nursery class or other local pre-school provision. Whilst all attempts were made to ensure the position with regard to nurseries was made clear, removing this criterion for entry to reception would ensure there was no possible misunderstanding. It was also recommended a review of the feeder links at middle and high school transfer was undertaken at this time. The report set out the advantages and disadvantages of the feeder school link.

'Significant reasons' were currently listed as one of the oversubscription criteria. The report made clear that it was very difficult to identify all the circumstances that would be accepted as a 'significant reason' which made this criterion very subjective. It did not meet, therefore, the aspiration of the Admissions Code of Practice in terms of trying to achieve the highest level of objectivity as possible. Independent Appeal Panels were able to take individual circumstances into account and therefore could be better placed to consider decisions on an individual basis rather than officers. Draft admissions policies with this proposed change and that for the feeder school link were before the Cabinet for consideration.

In March 2010, the Cabinet approved the 2011/12 co-ordinated schemes for Primary and Secondary Schools as well as an In-Year co-ordinated scheme. The Co-ordinated Admission Arrangements proposed for the 2012/2013 academic year were before the Cabinet for consideration.

The Council had a process to keep under review the Published Admission Numbers (PANs) of all community and voluntary controlled schools, working to maintain, as far as possible, sufficient places in an area for the number of pupils seeking to attend their local school. Until three years ago pupil numbers had been falling across the County and the strategy has been to remove surplus places. Pre-school numbers had begun to show a different and variable picture across the County. Proposed variations to the PANs for some community and voluntary controlled schools for implementation in the academic year 2012/13 were before the Cabinet. It was recommended all suggestions were consulted upon before a final recommendation was made.

The Cabinet had before it the performance indicator results for the admissions process for Worcestershire compared over the last four years. This information was regularly

reviewed to inform decisions on improvements to the service.

The report made clear that should the recommendations be approved, consultation involving all admission authorities in the County would take place for a minimum of 8 weeks, between December 2010 and February 2011 and the responses reported back to the Cabinet in April 2011.

Annually, the Council published a composite prospectus, the Information for Parents: Admissions and Transfers to Schools book. For the 2011/12 academic year, the Cabinet agreed not to provide a copy of the book to every child due to transfer to school but only to parents with a child entering reception. The book was made available on the County Council website. The number of hard copies printed was therefore reduced from 26,000 to 10,000. It was now proposed to bring Primary Schools in line with Middle and High Schools and in future not provide a copy of the book for every reception child. Instead it was proposed that an admissions leaflet was produced for distribution to all primary school nursery classes, early years' settings, libraries, GP surgeries and contact centres in the summer term. It was envisaged that only 1,000 books would need to be printed for distribution when requested which equated to a saving of up to £9,000.

Due to changes in funding for maintained Nursery Classes from place funding to pupil funding, the Council had contacted those schools with Nursery Classes where the number of children on roll was less than the number of places available and may be at risk of not being able to meet the costs of running the nursery class. At present consultation was currently taking place on the proposed closure of the St. Clements CE Voluntary Aided Primary School maintained Nursery. No other maintained Nurseries had formally requested any changes be considered at this time.

In the ensuing discussion, the following main points were raised:

- (a) Whether the removal of the "special reasons" category from the Council's oversubscription criteria would in any way hamper the Independent Appeals Panel's ability to make such a finding. Mr Hart confirmed that this would not be the case.
- (b) Clarification was sought on the increase of the PAN for South Bromsgrove High School in respect of its Sixth Form. It was explained that this figure only referred to pupils who were not already on roll in Year 11 and transferring to Year 12 at South Bromsgrove High School in other words "external" students.



- (c) That at this stage the Cabinet were only agreeing the proposal for the purposes of initiating consultation.

RESOLVED: that

- (a) consultation takes place on the Council's School Admissions Policy with two proposed changes to the oversubscription criteria; removing Feeder School links and Special Reasons as set out in Appendix 1a & b of the report;**
- (b) the current (2011/12) co-ordinated schemes for Primary, Secondary and In-Year admissions, be consulted upon for the academic year 2012/13 as set out in Appendix 2a & b of the report;**
- (c) the list of revised Published Admission Numbers for the academic year 2012/13 be approved for consultation as set out in Appendix 3 of the report;**
- (d) Performance Indicators for the operation of Admission Arrangements in Worcestershire be noted;**
- (e) changes to maintained nurseries as a consequence of the changes in Nursery funding be noted; and**
- (f) there is a further reduction in the number of printed copies of the 2012/13 Information for Parents book.**

1189. Joint Commissioning for Speech, Language and Communication Needs (Agenda item 5)

The Cabinet had before it a report which set out that in February 2009, the Cabinet approved the development of joint commissioning arrangements with NHS Worcestershire for children and young people. Speech, language and communication needs (SLCN) were identified as one of the initial priorities as a consequence of concerns expressed about the inequitable provision across the County.

The first phase of the review of SLCN, a needs assessment and service mapping exercise, was carried out to describe the population of children and young people with SLCN in Worcestershire and to map current service provision at a universal, targeted and specialist level. The review identified a substantial need, a lack of clarity regarding current provision, inequities of access to provision, historical structures no longer fit for purpose, duplication of effort across agencies and gaps existing in

overall provision.

The second phase of the review would be to propose a new way of organising services and would be completed by March 2011. The outcome of the review would be included in the report to the Cabinet which would seek approval for the Section 75 agreement. The core principles of the second phase of the review were:

- There was universal information, advice and guidance to all schools, settings and parents and carers
- Those schools and settings in rural and urban areas of poverty received additional targeted support
- There would be integrated speech and language services to meet specialist need available equitably according to evidenced need to children and young people in Worcestershire
- There would be clarity around provision, access to provision and pathways at all levels of need
- The service would provide seamless intervention and support at the earliest opportunity and in the most appropriate environment
- Training and development opportunities would be provided to ensure that the whole workforce was able to identify need at the earliest opportunity and support children.

The Overview and Scrutiny Panel for Children and Young People had a specific on-going scrutiny of the progress of this review and had received regular reports.

The overall budget came from NHS Worcestershire and partnership working with schools and the Council. There was no additional budget from NHS Worcestershire and therefore the proposals would seek to make better and more equitable use of available resources. The revised arrangements would be managed within a formal pooled budget arrangement, subject to Cabinet approval. This would allow for greater flexibility of the use of resources at a universal, targeted and specialist level.

In the ensuing discussion, the following main points were raised:

- (a) concern was expressed that individual cases of children with hearing difficulties being "missed" should not recur. This concern was answered by the suggestion that the thrust of the new approach was to ensure early intervention which would not only ensure better outcomes for the young person, but also reduce the inputs needed by later and more complex intervention
- (b) that the proposals would reduce the ad hoc nature of



some service provision and ensure a more consistent approach with better outcomes

- (c) what training needs would be addressed? It was stated that whole school training would be given at primary levels with specialist support and workforce development. The focus would be on the primary sector with enhanced work with SENCOs at secondary level. This focus would ensure the early intervention emphasis was maintained whilst reducing demands being placed on high schools.

RESOLVED: that

(a) the progress made by the joint commissioning review of speech, language and communication needs across the County be noted; and

(b) a report be received in March 2011 as part of the joint commissioning pooled budget arrangements.

**1190. Scrutiny Report –
The
Worcestershire
Hub
(Agenda item 6)**

The Cabinet had before it a report which set out that in December 2009 it had been agreed at the Overview and Scrutiny Performance Board's (OSPB) meeting that a scrutiny of the Worcestershire Hub should be carried out by a County Council task group with a representative of each district council co-opted onto the group. The terms of reference were to examine:

- The development of the Worcestershire Hub, including the Worcestershire Hub Shared Service
- How to make the Worcestershire Hub fit for purpose in the future
- Differences in provision across Worcestershire, what they are and why they exist?
- What are the gaps in provision and what are the opportunities?

The task group considered information relating to performance, finance, governance, customer satisfaction and experience, information technology, individual services, Council staff views, Parish Council views, councillor awareness, what other local authorities were doing and best practice. The task group also visited the majority of hub centres across the county and held discussions with each of the District Councils.

The scrutiny proved to be complex and demanding, largely because of the size and complexity of the Hub operation and the differences in the way each authority handled customer services, and the range and depth of the

use of the Hub within different services. The task group looked at the way in which customer access to Council services was likely to change in the future. Customer service was a fast paced environment and the task group was aware of many work projects which were underway. Nonetheless, there was always room for improvement and the group made recommendations on a number of areas.

The OSPB endorsed the scrutiny report on 4 November 2010. The response of the Cabinet Member with Responsibility for Corporate Services to the recommendations was before the Cabinet for consideration.

Mr T A L Wells introduced the report as Chairman of the Overview and Scrutiny Performance Board and Mr R W Banks presented the report as Scrutiny Panel Chairman.

In the ensuing discussion, the following main points were raised:

- (a) the County Council was ahead of the field nationally in many respects and particularly because the Hub involved the participation of all the District Councils in the county. Nevertheless being a "trail blazer" carried with it certain difficulties, not least of which was limited experience from elsewhere to learn from
- (b) some unevenness in Hub services was experienced mainly due to the fact that District Councils were participating at their own pace. However this was an important part of the process and the situation would improve as time went on
- (c) "dual-hatted" members had an important role to play in influencing the District Councils to embrace the shared Hub, improving the services for their residents and reducing costs overall
- (d) issues around peaks in work were being addressed and the lessons learned had made the Hub "smarter" and more resilient. This resilience had been commented upon by District Council partners. Wider experience of working with unpredictable work flows within the County Council was also informing this improvement
- (e) the Hub was seen as highly professional but there were sometimes issues with the promptness of responses from service areas. Greater emphasis should be placed on the financial contributions made by service directorates and as workloads increased on the Hub this had to be reviewed regularly. There were economies to be made by using the Hub more but



also costs to be recovered

- (f) members praised Customer Service Advisers and those who ran the services of the Hub on a day-to-day basis. It was also noted that that the Hub allowed complaints to be tracked electronically
- (g) that the smarter operation of the Hub was also improving performance and operating practices in other parts of the organisation. The Hub was considered vital in assisting transformation and increased self-service

RESOLVED: that

- (a) the Scrutiny Report on the 'Worcestershire Hub', together with the response from the Cabinet Member with Responsibility for Corporate Services, be received; and**
- (b) the Scrutiny Report be welcomed and the response of the Cabinet Member with Responsibility be adopted as the way forward.**

1191. Review of the Current Fairer Charging Policy in Adult Social Care (Agenda item 7)

The Cabinet had before it a report which set out that in September 2003, the Department of Health (DoH) issued guidance for fairer charging to aid development of local charging policies for non-residential social services. In response to this, the County Council issued its charging policy which had been updated every financial year. The current local fairer charging policy determined that charges to service users were based on the units of services that they received. In July 2009, the DoH issued new guidance for fairer contributions, in the light of personal budgets, highlighting how local charging policies would need to change.

The proposal, to review charges for adult social care as part of the BOLD programme, had the potential to involve a significant variation to existing charging policy, impacting upon residents/service users. Preliminary work indicated that varying the policy on adult social care charges had the potential to achieve significant savings of up to £2.5m. It was therefore important to carry out a fair and open consultation with service users and carers before any decision was made to vary that policy.

Currently, the amount that service users were charged for services that they received was based on the Charging Policy for Non-Residential Services 2010/11. Officers undertook two calculations and the service user was charged the lower of these. Since April 2009 the Council had been offering service users a personal budget as part

of Choice and Control. It was clear that this current method of charging on a unit basis was not sustainable once a service user was receiving a personal budget.

The new local policy would need to apply the principles of fairness and equity. Applying the new guidance, the calculation of the cost of the services received by the service user would need to change. This calculation would then be compared with the financial assessment, and the service user would be charged the lower of these. The service user would only ever pay up to their ability to pay. It was proposed, for the calculation of the cost of services received by the service user, to consult on an approach where the traditional service user and the personal budget service user were charged on a full cost basis, subject to their ability to pay. This had the effect of removing the subsidy that the current policy afforded to those people who had the means to pay more for the service they received.

Of the 3,424 service users who were currently receiving non-residential services that were assessed under the fairer charging policy, 2,024 (59%) would not be affected by the new proposed policy and would not have to pay any increase to assessed charges. Of the 1,400 service users who would be affected by the new policy, 1,073 (77%) were service users who were currently paying below their maximum assessed available income level and 327 (23%) were self-funders. The majority of those paying below the cap (853 out of 1,073) would potentially have increased charges of up to £25 per week. However, the majority of self-funders (286 out of 327) would potentially incur increased charges of more than £25 per week. It did need to be recognised that a potential risk if charges were increased may be that service users no longer used these services leaving internal services under-utilised and not value for money.

Currently, there were a number of methods of payment of fairer charging invoices. It was recommended, to save processing costs, that the principle of payment by direct debit was adopted with other methods being phased out by 31 March 2012. The Council would however retain some discretion for users to make payments by methods other than direct debit in exceptional circumstances.

The Council would also want to consult on the use of a flat rate Disability Related Expenditure (DRE) allowance which would provide service efficiencies and improve the speed at which financial assessments could be completed. If DRE was assessed as a flat rate contribution, it would need to be granted on an objective criterion such as receipt of Disability Living Allowance or Attendance Allowance.



The aim was to complete a financial assessment as soon as an ongoing care need was identified and to inform the service user of their potential contribution before the care package was purchased. The introduction of a provisional assessment for service users where a non-residential care need was identified was therefore proposed meaning that the service user would start to contribute towards their care immediately. Any under or overpayments could then be adjusted following the full assessment. Naturally, the financial assessment followed the assessment of need, and ability to pay should not influence decisions on services.

It was proposed that if the principle of full cost charging was approved, transitional protection arrangements for existing service users who were severely affected by the future charging policy would apply. Consultation would take place from December 2010. A report on the outcomes of the consultation and recommendations would be brought to the Cabinet in May 2011. In taking decisions the Council had to have due regard to the duty to avoid and eliminate disability discrimination pursuant to Section 49A of the Disability Discrimination Act 1995. Accordingly, the report would also include a full Equality Impact Assessment of any changes recommended to the policy.

In the ensuing discussion, the following main points were raised:

- (a) more information was sought on the impact of Universal Benefit. It was recognised that it was very early to assess in any real detail but a report would be made to the Cabinet in May 2011 at which time the position might be clearer
- (b) the likely effect on the services provided by the voluntary sector. It was suggested that the new policy would encourage uptake of personal budgets and this process would probably impact in a positive way for voluntary sector providers. Account would be taken of this in the consultation exercise
- (c) the consultation exercise would include worked examples and would also be couched in plainer English to allow more people to understand and participate
- (d) it was clarified that the review was intended to cover all provision of meals, whether at Day Centres or in the community. The consultation exercise would therefore include explicitly all service users in receipt of meals both in Day Centres and in the community
- (e) user groups, carers' organisations and the voluntary

sector should also be involved in the consultation exercise.

RESOLVED: that

- (i) consultation with service users and carers be approved on the principles of:**
 - (a) equitable charging for traditional and personal budget service users;**
 - (b) removal of current subsidy levels within existing charging arrangements;**
 - (c) payment of charges by direct debit;**
 - (d) use of a flat rate allowance for Disability Related Expenditure;**
 - (e) use of a provisional financial assessment;**
 - (f) policy simplification;**
 - (g) the transitional arrangements as outlined in paragraph 27 of the report; and**
- (ii) the Director of Adult and Community Services be authorised to finalise the consultation document.**

**1192. Worcestershire
Concessionary
Travel Scheme
(Agenda item 8)**

The Cabinet had before it a report which set out that the concessionary travel scheme in England provided free travel on local bus services for eligible elderly and disabled residents. Eligibility for free travel was for residents of pensionable age and registered disabled residents. There were seven categories of disabled people who were entitled to the statutory minimum concession and these were set out in Section 146 of the Transport Act 2000. The scheme was provided in accordance with the provisions of the Transport Act 1985, the Transport Act 2000, the Travel Concessions (Eligibility) Act 2002, and the Concessionary Bus Travel Act 2007. The Council had to have due regard to its duties to avoid and eliminate disability discrimination under the Disability Discrimination legislation.

Responsibility for the provision of concessionary travel services had traditionally rested with District Councils. The Department for Transport was, however, transferring responsibility to upper tier authorities from 1 April 2011. The County Council had a duty to publish details of the proposed concessionary travel scheme by 1 December this year. The scheme consisted of two components:

- (i) the national minimum scheme (English National Concessionary Travel Scheme) open to all holders of Concessionary Travel Passes issued by English Travel Concession Authorities and funded by central Government; and
- (ii) any discretionary local enhancements funded by the local authority issuing the scheme.



The operator of any service was obliged to accept free passes and was also entitled to claim reimbursement from the local authority in whose area the journey commenced to recompense for revenue lost as a result of compliance with the scheme.

Since April 2008, approximately 100,000 concessionary passes had been issued across the County, of which 80,000 were 'live'. The number of concessionary bus journeys was approximately 6.3 million per annum in Worcestershire. The national minimum scheme specified time restrictions for access to free travel on local bus services by concessionary pass holders. Four districts had no time restriction on usage. The other two did not allow for travel before 09:30. A local concession was also provided for the companions of eligible disabled residents. In addition, some of the local councils provided other local enhancements to the scheme.

The current direct costs of the scheme were approximately £6m per annum. The financial implications of the transfer remained far from certain. The County Council however, expected to receive monies for the national minimum scheme only, i.e. – 09:30-23:00 Monday – Friday, all day on weekends and Bank Holidays and did not expect to receive financial support for any of the current local enhancements. The estimated grant income for the new scheme was approximately £5m per annum. Continuation of the companion pass concession was supported by the Equality Impact Assessment and was affordable within current financial projections. The continuation of the pre 09:30 travel concession across Worcestershire was felt to be unaffordable. The County Council would however, continue to explore the viability of local pre 09:30 solutions with District Council financial support.

In the ensuing discussion, the following main points were raised:

- (a) whether funding from the Government for this Scheme would be "ring-fenced". It was explained that funding would be part of the Council's Formula Grant and might not be as transparent as hoped. A further debate might be required should there be a shortfall when details became clearer
- (b) the Council would have to provide the statutory minimum and this could have further effects on budgets if there was insufficient grant
- (c) there was an intention to include within the Scheme a "companion's pass" which would be of great assistance

1193. Money Matters (Agenda item 9)

(d) the scheme was widely welcomed.

RESOLVED: that the provisions of the new **Worcestershire concessionary travel scheme as set out in Appendix 1 to the report be approved.**

The Cabinet had before it a report on a number of financial processes to be approved.

Budget Monitoring Update

Treasury management operations continued to indicate that there would be a favourable variance this year in the region of £2.3m. The Council's share of the operating surplus from West Mercia Supplies Joint Committee was in line to rise by £0.286m.

The Adult and Community Services budget continued to require careful budget management with the key areas of cost pressures; this was in part due to increased demand for services. BOLD programmes were in place to target cost reductions. The net forecast overspend was £1.7m. This could be contained by the one-off use of Directorate reserves. The Children's Services financial pressures continued in the Looked After Children placements budget. A strategy for managing down the number and cost of placements was being put into place. The net forecast overspend was £1.3m. This could be contained by the one-off use of Children's Services reserves. Other Directorate budget pressures were being managed within the revised cash limit together with the one-off use of Directorate reserves in accordance with Financial Regulations.

Additional Area Based Grant (ABG)

The final adjusted ABG allocation for 2010/11 had been confirmed. This included a sum of £19,300 in recognition of the duty on local authorities to have a petitions scheme in place. It also included an additional sum of £6,600 for School Improvement partners on top of the £279,000 included in the original ABG allocation. It was proposed that the Corporate Services Directorate and Children's Services Directorate cash limits were increased by £19,300 and £6,600 respectively, to reflect this additional funding. ABG was accounted for as a single amount through Financial Services and its cash limit would be reduced by £25,900.

Capital Programme Update

It was proposed to relocate the Multi Use Games Area opposite the Fairfield Centre site, Worcester to an alternative, more suitable position on the school site. The existing site (0.24 acres) was suitable for social housing



and had little alternative use. A sale at £65,400 had been agreed. The proceeds of the sale would be sufficient to relocate the facilities and provide adequate fencing for the Fairfield Centre to help off-set the risk of vandalism. Approval was therefore sought to apply the proceeds of the land sale for the relocation project described.

Treasury Management – Half yearly progress

(a) Borrowing

Total Council debt outstanding stood at £233.2m at 30 September 2010, well within the Capital Financing Requirement estimated for 2010/11 of £412.9m. The shortfall was temporarily funded by cash backed reserves and working capital. All debt was fixed rate and met the Council's limits on type of debt it held (fixed or variable). There had been no change in the level of debt during the half year. The longer-term debt totalled £232.6m. The average rate of longer-term debt at 30 September 2010 stood at 4.46% unchanged from 31 March 2010. The short-term debt totalled £0.558m on 30 September 2010, a decrease of £0.005m over the half-year.

(b) Lending

The balance of temporary lending transactions as at 30 September was £97m and included £24m held by the Council as part of their administration of the pooling arrangements with the Primary Care Trust and £22m as part of its role in the West Midlands Regional Improvement and Efficiency Programme. The average rate earned on investments during the first-half of 2010/11 was 0.26%. The gross interest earned on investments totalled £0.158m.

BOLD – Programme Update

Since Corporate Strategy Planning Stage 1, a number of priority reviews had been identified which could potentially provide savings in addition to the £43.5m. Of the five reviews below, the first three would begin with immediate effect with findings during the current Financial Year:

- Review of Support Services
- Strategic Review of Transport provision across the Council
- Review of Support to Voluntary and Community Sectors
- Review of Management Structures
- Review of Young People and Economy.

The second stage of the Corporate Strategy Planning

process had also looked at how the Core Service Model (CSM) process could help inform the identification of further savings, including potentially having to look at some functions ceasing to continue. The final stage (Stage 3) of the Corporate Planning Process would take place either early or mid-December 2010 where discussions would be held following the announcement of the Formula Grant settlement for the County Council.

All project proposals were now required to complete an Equality Impact Assessment screening exercise, and where appropriate, a full assessment would be undertaken. The proposals had been developed with consideration of the feedback received through public consultation about the budgetary situation, including analysis of residents' high, medium and low priorities. The information had shown an extremely consistent view from the public about what they felt were higher priority and lower priority services.

In the ensuing discussion, the following main points were raised:

- (a) the Council continued to take a very cautious approach to money market activity
- (b) as part of BOLD whether the review of transport provision might yield further gains
- (c) the Council's finances were sound and provided a firm base for the difficult times ahead
- (d) it was hoped that good work would be done in the area of BOLD in respect of the Review of Young People and the Economy.

RESOLVED: that

- (a) (i) **the conclusions of the Cabinet Member with Responsibility for Finance concerning budget monitoring up to 30 September 2010 be endorsed in accordance with the report;**
 - (ii) **TO RECOMMEND: that Directorate cash limits be adjusted to reflect the additional Area Based Grant for 2010/11 in accordance with the report;**
- (b) **TO RECOMMEND: that the Capital Programme be updated in accordance with the report;**
- (c) **that the conclusions of the Cabinet Member with Responsibility concerning Treasury Management – Half yearly progress be endorsed; and**



**1194. Strengthening
Worcestershire's
Economy
(Agenda item 10)**

(d) that the conclusions of the Cabinet Member with Responsibility concerning BOLD – Programme Update be endorsed.

The Cabinet had before it a report explaining that although the economy was once again growing, it was clear that the recent recession continued to affect the economy in Worcestershire. With the prospect of significant redundancies from public sector agencies over the coming four year period there was a need to reassess the Council's role as community leader in supporting and facilitating the private sector to innovate and to grow. The bid for a Local Enterprise Partnership (LEP) to be established in Worcestershire was part of the strategy to see a greater and more effective working relationship between the business and public sector to unlock potential and reduce the barriers to growth that could sometimes exist.

The LEP bid identified the county-wide priorities as:

- To deliver the strategic employment sites and related infrastructure needed to secure sustainable economic growth and a low carbon economy
- To ensure there was the right support for business start up, business growth, business retention and inward investment
- To deliver the right infrastructure for business
- To invest in the skills of the workforce.

The County Council had, in the past, adopted a role of a facilitator and sought to influence partners, locally, regionally and nationally to support the growth of the economy, rather than support delivery through direct action. These challenges were changing and some of the roles that needed to be undertaken to support the business community and encourage their growth would now be delivered nationally. However, there would be an increased need for a lead to be taken to ensure that the right services were being provided and that the business community was able to access those services from wherever and whomever they were provided requiring a greater level of direct involvement from the County Council. The LEP would not replace the County Council's lead role in infrastructure, strategic planning and community leadership on behalf of the county.

Action needed to be taken quickly in order to build the capacity of the Council to support business in the transition from regional to local focus and to prevent resources and expertise being lost from the region and key projects being threatened. It was therefore proposed that a revenue

budget of £300,000 be added to the base budget of the Planning, Economy and Performance Directorate from 2011/12 to enable this work to be delivered. Assessment would also be made of the potential for joint working, or alternative delivery mechanisms through LEPs and cross-LEP collaboration for such services to be delivered by alternative means at less cost to the County Council.

In the ensuing discussion, the following main points were raised:

- (a) the proposal was an element in strengthening the local economy and ensuring that the county was protected from the worst effects of the current economic situation. It was clarified that the recommendation referred to proposals for the budget from April 2011
- (b) the Council had to re-emphasise its pro-business credentials and this was a step in the right direction
- (c) the Council must be seen to encourage business in all areas of its influence. The example of the A449 was used to illustrate this. It was essential for the Council to achieve the correct balance between road safety and a fast and efficient route for businesses based in Kidderminster and surroundings
- (d) the crucial importance of fast broadband to the county encouraging rural businesses and international trade
- (e) in all these things it was essential to promote and encourage partnership working to achieve the best outcomes for the businesses and people of the county.

RESOLVED: that the proposal that an additional revenue of £300,000 be allocated to the base budget of the Directorate of Planning Economy and Performance from 2011/12 in order to refocus the efforts of the Council on supporting businesses to grow and to invest in Worcestershire be supported.

The meeting ended at 11.18 a.m.

Chairman

