

<b>Cabinet</b>	
<b>Wednesday 13 March 2019 10.00 am</b>	
<b>Cabinet Suite - Shire Hall, Gloucester</b>	
<b>AGENDA</b>	

<b>Item</b>	<b>Discussion</b>	<b>Portfolio</b>
<b>1</b>	<b>Apologies</b> To note any apologies for absence.	Leader of the Council
<b>2</b>	<b>Minutes</b> (Pages 1 - 20) To confirm the minutes of the meeting held on 30 January 2019 (minutes attached).	Leader of the Council
<b>3</b>	<b>Declarations of Interest</b> To declare any pecuniary or personal interests relating to specific matters on the agenda.  Please see information note (1) at the end of the agenda	Leader of the Council
<b>4</b>	<b>Questions at Cabinet Meetings</b> Up to 30 minutes is allowed for this item.  <b>Written questions</b> To answer any written questions from a County Councillor, (or any person living or working in the county, or is affected by the work of the County Council), about any matter which relates to any item on the agenda for this meeting.  <b>The closing date for the receipt of written questions is 4.00 pm on Thursday 7 March 2019</b>  A written answer will be provided for each written question and presented to the questioner and to Cabinet Members in advance of the meeting. The questions and answers will be taken as read at the meeting and need not be read out.	Leader of the Council

	<p>At the discretion of the Leader of Council, each questioner in attendance at the meeting will be allowed to ask one supplementary question in response to the answer to the original question.</p> <p>A copy of all written questions and written answers circulated at the meeting will be attached to the signed copy of the minutes of the meeting.</p> <p><b>Urgent questions</b></p> <p>An urgent written question may be asked by a member of the public about any item on the Cabinet agenda for that meeting which the Chairperson considers could not have been reasonably submitted by the deadline for the receipt of written questions, provided he or she gives notice of the question to the Chief Executive by 12 noon the day before the meeting.</p> <p>Please submit cabinet questions to <a href="mailto:jo.moore@gloucestershire.gov.uk">jo.moore@gloucestershire.gov.uk</a></p>	
	<b>Key Decisions</b>	
<b>5</b>	<p><b>Financial Monitoring Report 2018-19</b> (Pages 21 - 36)</p> <p>To provide an update on the year-end forecast for the 2018/19 County Council's Revenue and Capital Budgets</p>	Finance and Change
<b>6</b>	<p><b>Dynamic Purchasing System - Children and Young People</b> (Pages 37 - 48)</p> <p>To agree the future arrangements for the commissioning of day and residential placements at Independent and Non-maintained Special Schools and Independent Specialist Colleges for Children and Young People with Additional Needs.</p>	Children and Young People
<b>7</b>	<p><b>Cost pressures and Continued Support for Subsidised Public Transport Contracts</b> (Pages 49 - 56)</p> <p>To seek approval to review subsidised public transport services and implement measures to manage future public transport arrangements across the county.</p>	Environment and Planning
	<b>Part Exempt Decisions</b>	
<b>8</b>	<p><b>Schedule of Proposed Disposals</b> (Pages 57 - 62)</p> <p>To consider the disposal of properties and sites deemed surplus to requirement in line with the Policy for the Disposal of Property.</p> <p><b>Please note:</b> this report contains both exempt and non-exempt information.</p>	Finance and Change

To discuss the exempt information contained in the appendices to the published report, consideration must first be given to whether the public should be excluded from the meeting by passing the following resolution:	
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*In accordance with Regulation 4(2)(b) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public to be excluded from the meeting for this item of business because it is likely that, if members of the public were present there would be disclosure to them of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12 A to the Act, and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.*

## CABINET

Cllr Mark Hawthorne MBE, Cllr Ray Theodoulou, Cllr Richard Boyles, Cllr Tim Harman, Cllr Nigel Moor, Cllr David Norman MBE, Cllr Vernon Smith, Cllr Lynden Stowe, Cllr Kathy Williams and Cllr Roger Wilson

## NOTES

- 1. DECLARATIONS OF INTEREST** – Members requiring advice or clarification about whether to make a declaration of interest are invited to contact the Monitoring Officer (Jane Burns ☎01452 328472 /fax: 425149 e-mail: [jane.burns@gloucestershire.gov.uk](mailto:jane.burns@gloucestershire.gov.uk)) prior to the start of the meeting.
- 2. INSPECTION OF PAPERS AND GENERAL QUERIES** - If you wish to inspect minutes or reports relating to any item on this agenda or have any other general queries about the meeting, please contact: Jo Moore, Senior Democratic Services Adviser ☎:01452 324196/fax: 425240/e-mail: [jo.moore@gloucestershire.gov.uk](mailto:jo.moore@gloucestershire.gov.uk)
- 3. DEFINITION OF A KEY DECISION** - A 'Key Decision' is one that is, if implemented, is likely to
  - Result in significant additional expenditure or savings to the value of £500,000 or more, or
  - Be significant in terms of its effect on communities in two or more electoral divisions.
- 4. GENERAL ARRANGEMENTS** - Members are required to sign the attendance list.
- 5. PHOTOGRAPHY, FILMING AND AUDIO RECORDING OF COUNCIL MEETINGS** is permitted subject to the Local Government Access to Information provisions. Please contact Democratic Services (01452 324202) to make the necessary arrangements ahead of the meeting. If you are a member of the public and do not wish to be photographed or filmed please inform the Democratic Services Officer on duty at the meeting.

<b>EVACUATION PROCEDURE</b> - in the event of the fire alarms sounding during the meeting please leave as directed in a calm and orderly manner and go to the assembly point located <b><u>outside the main entrance to Shire Hall in Westgate Street</u></b> . Please remain there and await further instructions.
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MINUTES of meeting of the Cabinet meeting

Held on Wednesday 30 January 2019

**PETER BUNGARD  
CHIEF EXECUTIVE**

<b>Cabinet Minutes</b>	<b>Gloucestershire County Council</b>
<b>30 January 2019</b>	

Cllr Mark Hawthorne MBE	Leader of the Council
Cllr Richard Boyles	Children and Young People
Cllr Tim Harman	Public Health and Communities
Cllr Nigel Moor	Fire, Planning and Infrastructure
Cllr Dave Norman	Public Protection, Parking and Libraries
Cllr Vernon Smith	Highways and Flood
Cllr Lynden Stowe	Economy, Skills and Growth
Cllr Kathy Williams	Adult Social Care Delivery
Cllr Roger Wilson	Adult Social Care Commissioning

### **1. Apologies**

Apologies were received from Cabinet Member for Finance and Change, Cllr Ray Theodoulou.

Leader of the Council, Cllr Mark Hawthorne, thanked Jo Walker for her extensive work at the council over the past thirty years and wished her every success in her new appointment as Chief Executive Officer at North Somerset Council.

The Leader also welcomed Wayne Bowcock to his first cabinet meeting as Chief Fire Officer for Gloucestershire Fire and Rescue Service.

### **2. Minutes**

The minutes of the meeting held on 19 December 2018 were confirmed and agreed as a correct record of that meeting.

### **3. Declarations of Interest**

Leader of the Council, Cllr Mark Hawthorne, declared a non-pecuniary interest in item 10 of the agenda, (Gloucester South West Bypass – Llanthony Road Improvements; Compulsory Purchase Order and Ancillary Orders).

Cllr Hawthorne left the meeting for consideration of the item due to a connection with local business, Bikini Bathrooms. Cllr Nigel Moor, Cabinet Member for Environment and Planning, chaired the meeting for consideration of this item.

#### **4. Questions at Cabinet Meetings**

##### **Public Questions**

No public questions were considered at the meeting.

##### **Member Questions**

A total of 25 (member) questions were submitted for consideration prior to the meeting.

Please refer to the link below to view the responses to the questions: -

<http://glostext.gloucestershire.gov.uk/documents/b15064/Cabinet%20Questions%20and%20Answers%20Wednesday%2030-Jan-2019%2010.00%20Cabinet.pdf?T=9>

If unable to access the document at the link above, please go to the link below and select the 'Cabinet Questions and Answers' PDF document at the top of the web page: -

<http://glostext.gloucestershire.gov.uk/ielListDocuments.aspx?CId=117&MIId=9224&Ver=4>

The following supplementary questions were asked at the meeting.

**Question 1:** Cllr Kate Haigh

##### **Agenda item 8: Tendering of Services for Homelessness and People in Vulnerable Circumstances**

Expressing concern about the vulnerable people within her division needing housing with access to services and community support, Cllr Haigh asked if the multi-agency co-ordination groups, (responsible for making placements across the county network of services), were aware of the needs of vulnerable people and if the Cabinet Member was prepared to visit the Coney Hill and Matson communities to look at the work being undertaken in these areas?

**Response by:** Cllr Roger Wilson (Cabinet Member: Adult Social Care: Commissioning)

Cllr Wilson confirmed he was aware of the work being undertaken in the Coney Hill and Matson communities and that he had been very impressed when visiting the areas during previous visits. Cllr Wilson informed Cllr Haigh both he and Cabinet Member Adult Social Care: Delivery, Cllr Kathy Williams, would be pleased to revisit the areas, particularly to look at the work being undertaken in conjunction with the County Council.

**Question 2:** Cllr Kate Haigh

##### **Agenda item 8: Tendering of Services for Homelessness and People in Vulnerable Circumstances**

Cllr Haigh expressed concern about shortages of suitable accommodation at some housing agencies. Whilst acknowledging the value of partnership working with District Councils at strategic levels, Cllr Haigh asked how, at operational levels, the County Council could make best use of available accommodation to address homelessness?

**Response by:** Cllr Roger Wilson (Cabinet Member: Adult Social Care: Commissioning)

Cllr Wilson reinforced that the County Council was working closely with the District Councils to address homelessness in Gloucestershire. Referring to the creation of an open framework for the delivery of services to people in vulnerable circumstances and homeless people with complex needs, (to be considered later in the meeting), Cllr Wilson informed members that the proposal aimed to provide the necessary flexibility which would enable the councils to respond quickly to the needs of the homeless in Gloucestershire.

**Question 3:** Cllr Paul Hodgkinson

**Agenda item 9: High Needs**

Cllr Hodgkinson referred to pressures emerging from government changes in the provision of High Needs support for schools with high numbers of SEND pupils, (Special Educational Needs), and asked how much money would be lost to individual schools?

**Response by:** Cllr Richard Boyles (Cabinet Member: Children and Young People)

Cllr Boyles advised that the amounts varied between each school and agreed to provide a detailed list of information after the meeting.

**Question 4:** Cllr Paul Hodgkinson

**Agenda item 9: High Needs**

Cllr Hodgkinson asked if, for the following year, Cllr Boyles would commit to providing, (as an absolute minimum), £4,800 per pupil high needs support?

**Response by:** Cllr Richard Boyles (Cabinet Member: Children and Young People)

Cllr Boyles explained the County Council transferred all monies Central Government provided for schools. The Central Government Grant would dictate how much funding would be allocated to each pupil.

**Question 6:** Cllr Paul Hodgkinson

**Agenda item 9: High Needs**



Responding to the answer to his original question, Cllr Hodgkinson stated 'it had not been the Liberal Democrat Group who had allowed Beaumont School to fall into disrepair'. Referring to the deficit in capital investment for Beaumont School, Cllr Hodgkinson asked if Cllr Boyles would commit to 'filling in the remainder of the deficit gap'?

**Response by:** Cllr Richard Boyles (Cabinet Member: Children and Young People)

Cllr Boyles confirmed part of the work at Beaumont School had been completed whilst other works were ongoing. He stated that, should other 'bigger works' be required, the school needed to approach the County Council for support. It was announced £3m special needs funding would be accessible towards this work.

**Question 10:** Cllr Paul Hodgkinson

### **Agenda item 6: Financial Monitoring Report**

Cllr Hodgkinson made references to data relating to the turnover of permanent social workers at Gloucestershire County Council in comparison to regional and national figures, despite the additional funding awarded to Gloucestershire 'going forward'. Cllr Hodgkinson asked Cllr Boyles to explain the implications for the children of Gloucestershire?

**Response by:** Cllr Richard Boyles (Cabinet Member: Children and Young People)

Cllr Boyles referred to information provided at a recent Children's Improvement Board meeting, where the quality of social workers had been considered, including the need for a cohort of stable managers from which to regulate the number of caseloads and maintain the continuity of social workers for children. Acknowledging that there would always be gaps and discrepancies in the number of social workers, Cllr Boyles informed members that the County Council was working hard to ensure correct statistics were in place to provide accurate and up-to-date information. In addition, a list of activities had been produced aimed at improving the stability of children's services. This included seeking to employ a cohort of senior managers as permanent employees as part of the council's long-term agenda.

**Question 11:** Cllr Colin Hay

### **Agenda item 7: Sufficiency Strategy – Children's Services**

Cllr Hay asked how many Children's Centres were working specifically with excluded children?

**Response by:** Cllr Richard Boyles (Cabinet Member: Children and Young People)

Cllr Boyles confirmed the Children Centre's worked with a range of partners.

**Question 12:** Cllr Colin Hay

### **Agenda item 11: Options for Youth Support Service 2020**

Cllr Hay asked the Cabinet Member to provide details of figures relating specifically to Children's Services?

**Response by:** Cllr Richard Boyles (Cabinet Member: Children and Young People)

It was agreed Cllr Boyles would arrange for officers to provide a written response after the meeting.

**Question 14:** Cllr Colin Hay

**Agenda item 11: Options for Youth Support Service 2020**

Cllr Hay asked the Cabinet Member to confirm if the redesign of the Youth Support Service in 2021 would impact on the budget for these services?

**Response by:** Cllr Richard Boyles (Cabinet Member: Children and Young People)

It was confirmed that during the review of the Youth Service, in 2021, the council would look at the remodelling of the service. The council would be looking at this issue.

**Question 15:** Cllr Colin Hay

**Agenda item 11: Options for Youth Support Service 2020**

Cllr Hay highlighted the value of using council buildings for community use and agreed to raise the issue with cabinet members after the meeting.

**Response by:** Cllr Richard Boyles (Cabinet Member: Children and Young People)

Cllr Boyles agreed to speak with officers on the issue after the meeting. He advised of the need to adhere to confidentiality restrictions when delivering children's services but stated that, if these could be overcome, he could see no reason why some of the council's buildings could not be used for other community uses.

**Question 16:** Cllr Paul Hodgkinson

**Agenda item 5: Medium Term Financial Strategy**

Cllr Hodgkinson thought it was incredible there would be no cost to the taxpayer in respect of external legal advice fees following the FOI (Freedom of Information) tribunal on the Ernst and Young Report. Seeking clarification, Cllr Hodgkinson asked the Leader of the Council to confirm if this response was correct?

**Response by:** Cllr Mark Hawthorne: Leader of the Council

Cllr Hawthorne reaffirmed there would be no cost to the taxpayer and suggested the County Council should be congratulated at no cost being borne by this authority.

**Question 17:** Cllr Paul Hodgkinson

**Agenda item 5: Medium Term Financial Strategy**

Cllr Hodgkinson asked the Leader of the Council to confirm the total figure spent on internal and external legal costs to ensure the documents relating to the FOI (Freedom of Information) tribunal on the Ernst and Young Report were kept out of the public domain?

**Response by:** Cllr Mark Hawthorne: Leader of the Council

Cllr Hawthorne clarified that the documents had been placed in the public domain after being advised what should be withheld. He said it was regrettable the legislative regulations for UK contracts had been so unclear.

**Question 19:** Cllr Colin Hay

**Agenda item 5: Medium Term Financial Strategy**

Cllr Hay asked for assurances there would be no detrimental impact following cuts to the Public Health Budget.

**Response by:** Cllr Tim Harman

Cllr Harman acknowledged the complexity of the issue and commented on the wide remit of the public health budget having to cover all ages. He said that, from the evidence it held, the council was doing all it could. There were some positives, however, for which he proposed the council support and take forward some of the budget consultation initiatives proposed during a recent public health meeting.

**Question 20:** Cllr Colin Hay

**Agenda item 7: Sufficiency Strategy – Children’s Services**

Cllr Hay noted the support of local MP’s for children’s services and welcomed the (£4m) additional social care funding announced by Government in December 2018. Cllr Hay asked if Cllr Boyles agreed with the LGA, (Local Government Association), on the need to address the urgent and pressing issue relating to the funding crisis facing children’s services affecting the country. Cllr Hay referred to a £3.1 billion funding gap in children’s services nationally. This was later corrected to denote the funding gap for all local authority services, not just children’s services. Cllr Hay asked if Cllr Boyles agreed it was important to campaign with the LGA on the issue of funding?

**Response by:** Cllr Richard Boyles (Cabinet Member: Children and Young People)

Cllr Boyles agreed it was appropriate to work with other groups to secure funding. He believed the proposed budget was very clear in how it intended to cater for the demands placed on children’s services. Referring to the work undertaken in response to the Ofsted Children’s report in 2017, Cllr Boyles outlined how the

council aimed to provide the highest level of service to overcome any issues in this area. He confirmed the council would always strive for funding.

**Question 21:** Cllr Rachel Smith

**Agenda item 5: Medium Term Financial Strategy**

Cllr Smith questioned the clarity of the recent budget consultation and asked if the consultation had been a box ticking exercise?

**Response by:** Cllr Mark Hawthorne: Leader of the Council

Cllr Hawthorne confirmed this was not the case and that the consultation had involved a huge amount of engagement; this included public meetings and budget road shows, all of which had been very well attended. The information from the consultation had been fed into the budget report and formed part of the Corporate Strategy, for which there would be opportunities in the future to consider the outcomes. Cllr Hawthorne referred to the overwhelming public support that had been received and the broad support for the priorities set out in the budget. He believed the proposed budget reflected huge understanding of the needs of the people of Gloucestershire.

**Question 22:** Cllr Rachel Smith

**Agenda item 5: Medium Term Financial Strategy**

Cllr Smith questioned the council's commitment to improving the air quality for Gloucestershire and stressed the need to include air quality monitoring as part of the council's planned road schemes.

**Response by:** Cllr Nigel Moor: Cabinet Member for Environment and Planning  
Cllr Moor reaffirmed the council's commitment to improving air quality and suggested Cllr Smith visit the council website to consider some of the projects included in the council's highways capital programme. Drawing attention to the detail and scoping that had been attributed to major schemes at Arle Court Roundabout, Cheltenham and Llanthony Road, Gloucester, Cllr Moor said he had confidence in the government air quality assessments that had been undertaken for these schemes. In addition, the council would undertake its own air quality assessments, as required.

**Question 23:** Cllr Rachel Smith

**Agenda item 5: Medium Term Financial Strategy**

Cllr Smith acknowledged the council's investment in encouraging cycling and walking across the county but once again questioned the increase in vehicles and carbon emissions from the impact of creating more roads. Cllr Smith asked how Cllr Moor would this explain position to his grandchildren?

**Response by:** Cllr Nigel Moor: Cabinet Member for Environment and Planning

Cllr Moor said he would not have an issue in explaining the council's investment in Gloucestershire's road network to his grandchildren. The investment was not only aimed at developing new and improved roads for car users but to also provide better road surfaces for cyclists and walkers. Another ambition was to reduce the level of congestion affecting the county. Furthermore, the aspiration to move to electric vehicles in the long-term still warranted the need for an effective road network system.

**Question 25:** Cllr Rachel Smith

**Agenda item 5: Medium Term Financial Strategy**

Cllr Smith questioned the council's investment in cycle-ways in proportion to the investment in the County's highways. Cllr Smith suggested the investment in cycle-ways was out of proportion with the investment in highways and asked Cllr Moor to 'put his money where his mouth was'?

**Response by:** Cllr Nigel Moor: Cabinet Member for Environment and Planning

Cllr Moor refuted Cllr Smith's statement and said, as a cyclist himself, the council's investment in cycling would be a huge benefit. Cyclists would not want to cycle on poor roads.

**5. Recommendations to Council - Medium Term Financial Strategy (MTFS) and Council Strategy 2019-20 to 2020-2021**

Leader of the Council, Cllr Mark Hawthorne, presented the Draft Council Strategy and Medium Term Financial Strategy, (MTFS), 2019-2020 to 2020-2021, (including the proposed Revenue and Capital Budget 2019-20), for recommendation to Council.

The Leader invited Cllr Patrick Molyneux, Chairman of the Overview and Scrutiny Management Committee, to present the scrutiny management committee's observations and budget priority recommendations on the Council Draft Budget 2019/20. The Overview and Scrutiny Management Committee is the lead committee for budget scrutiny at Gloucestershire County Council. A budget scrutiny evidence-gathering day was held on 10 January 2019, the outcomes of which were included in the scrutiny report presented to Cabinet at this meeting. The joint response was produced on behalf of the council's scrutiny function as a whole.

Cllr Molyneux gave a brief summary of the key findings taken from the participating members at the evidence-gathering day on 10 January 2019. He stated that a number of key themes had been identified, the context of which were included in the summary section of the scrutiny report. He also stated that comments on the budget scrutiny process and how they might be developed would be considered by the Overview and Scrutiny Management Committee at a later date. These included; the request for additional information against budget headings, benchmarking information and more focus on the Council's Strategy. The comments will also be included in the scrutiny review outcome report as proposals for the next council.

Leader of the Council, Cllr Mark Hawthorne, thanked Cllr Molyneux and the Scrutiny Management Committee for their work and said how much the feedback was appreciated when considering the draft budget for recommendation to Council. The Leader confirmed Cabinet would now reflect on some of the more specific aspects of the report.

The Leader reported that, during the past four weeks, people across Gloucestershire had been asked to comment on the councils proposed budget plans. 535 responses had been received, of which 68 per cent had agreed with the proposals, and 77 per cent had agreed the council had the right priorities. In addition, between October and December, the council had consulted on the new council strategy, 'Looking to the Future'. Through a series of roadshows plus other engagement exercises the council had received 432 responses, with overall general support for the councils proposed priorities and ambitions.

The Leader advised that the headlines for the budget remained the same as those in previous years with the demands in Adult Social Care and Children's Services continuing to create significant challenges to the Council.

In presenting the proposals, the Leader reported a number of amendments. He advised that, since the report to Cabinet in December 2018, revenue budget changes had resulted in an increase in revenue funding of £1.305 million. As a result of the additional funding, and having considered the recommendations from the Overview and Scrutiny Management Committee, the Leader proposed a number of minor changes to the draft budget proposal for recommendation to Council. Cllr Nigel Moor seconded the proposal.

The additional recommendations included:

1. Approve a Highways Local Capital Allocation of £0.53 million (£10,000 per County Councillor) to be funded from capital receipts;
2. Approve a permanent allocation of £0.16 million to eliminate the Gloucestershire Fire and Rescue Service (GFRS) Efficiency Saving in the draft budget approved by Cabinet in December 2018, to be funded from the MTC3 Savings Contingency Budget.
3. Approve a one-off allocation of £0.025 million to fund a 5G Readiness Study in 2019/20 to be funded from the MTC3 Savings Contingency Budget.
4. Approve a one-off contribution of £0.818 million to the Vulnerable Peoples' Reserve to mitigate the demand risks associated with services to vulnerable adults and children. This will be funded from the MTC3 Savings Contingency Budget.

The Leader confirmed that the MTFs and budget proposal for 2019/20 had been prepared using best estimates from available data and based on the provisional financial settlement received in December 2018. He advised further amendments may be necessary following the final Finance Settlement due for announcement in early February. The amendments to be reported to Council on 13 February 2019.

The proposed revenue budget for 2019/20 totals £429.661 million, a net increase of £16.180 million (3.9%) from 2018/19. The proposed budget is based on a 2.99% Council Tax increase plus an additional levy of 2%, included to fund Adult Social Care. The proposal will result in a Band D Council Tax of £1,293.70 in 2019/20 - an increase of £61.49 per annum

Referring to the outcomes of the public consultation, (reported at Appendix 3 of the MTFS report), the Leader informed members that the majority of outcomes were reflected in the amendments to the report. Feedback from the consultation and the priorities set out in the budget would help invest in schools, roads and in meeting the needs of vulnerable people in Gloucestershire.

The new Council Strategy was presented alongside the MTFS for final approval and recommendation to County Council on 13 February 2019. The new strategy to build on the work developed in conjunction with partners and local people through the Gloucestershire 2050 conversation.

The Leader invited Cabinet colleagues to speak on the budget aspirations for their individual portfolio areas. Speaking in support of the proposals, Cabinet particularly welcomed the new areas of investment included in the amendments to the report; these included; the 5G Readiness Study in 2019/20 and Highways Local Programme. The decision to approve £0.16 million to eliminate the Gloucestershire Fire and Rescue Service (GFRS) Efficiency Saving approved by Cabinet in December 2018 was also welcomed.

Mindful of the legal duty to give due regard to the implications of people with protected characteristics, the Leader asked Cabinet to consider the Due Regard Statement for the MTFS and draft budget proposal that accompanied the cabinet report before making their recommendations to Council.

Having considered all of the information, including the outcomes of the council's formal budget consultation, the due regard statement for the decision and recommendations from the Overview and Scrutiny Management Committee, Cabinet noted the decision report and the reasons for the recommendations and,

***RESOLVED:-***

- 1. To consider the outcome of the budget consultation as set out in Appendix 3 and the report from the Overview and Scrutiny Management Committee (OSMC) in Appendix 4.*
- 2. To approve the Draft Council Strategy for submission to County Council (Appendix 1).*
- 3. To approve changes to the draft budget and to approve the MTFS and final revenue and capital budget for 2019/20 for recommendation to County Council, including all of the proposals set out in the annexes of the detailed MTFS (Appendix 2).*

*Minutes subject to their acceptance as a correct record at the next meeting*

- 4. To approve the schools funding, the provisional local government finance settlement and forecast reserve movements as summarised in this report and set out in the MTFS to County Council.*
- 5. To recommend to Council a revenue budget of £429.661 million, a Band D council tax of £1,293.70 and consequential precepts on District Councils.*
- 6. To approve for recommendation to Council the Capital Strategy, Treasury Management Strategy and Investment Strategy as set out in Annexes 7 & 10 of the detailed MTFS.*
- 7. To note the Risk Management Policy Statement & Strategy as set out in Annex 11 of the detailed MTFS.*

*Several amendments to the budget proposal were presented at the meeting.*

*Having considered the amendments, Cabinet*

**RESOLVED** *to make the following additional recommendations to County Council on 13 February 2019: -*

- 8. Approve a Highways Local capital allocation of £0.53 million (or £10,000 per Councillor) to be funded from capital receipts;*
- 9. Approve a permanent allocation of £0.16 million to eliminate the Gloucestershire Fire and Rescue Service (GFRS) Efficiency Saving in the draft budget approved by Cabinet in December 2018, to be funded from the MTC3 Savings Contingency Budget;*
- 10. Approve a one-off allocation of £0.025 million to fund a %G Readiness Study in 2019/20, to be funded from the MTC3 Savings Contingency Budget;*
- 11. Approve a one-off contribution of £0.18 million to the Vulnerable Peoples' Reserve to mitigate the demand risks associated with services to vulnerable adults and children. This will be funded from the MTC3 Savings Contingency Budget.*

## **6. Financial Monitoring Report 2018-19**

Leader of the Council, Cllr Mark Hawthorne, updated members on the year end forecast for the council's capital and revenue budgets 2018/19.

The Leader reported a forecast revenue year end position for the current financial year with a £0.957 million overspend, (on a net budget of £418.081 million). This represented a £1.259 million improvement on the previous position. This net position masked a significant underlying forecast overspend in Children and Families of £10.57 million, (reduced to £7.97 million by using one-off income from the business rate retention pilot). The Leader clarified that this reflected the continuing pressure on external placements and the cost of agency staff to cover vacancies.



Overall, the revenue budget was anticipated to be broadly balanced, subject to demand pressures.

Cabinet was asked to note the transfer movements detailed at recommendations 4,5,6 and 7 of the cabinet report before making their decision.

Having considered all of the information, including known proposals, alternative options and reasons for the recommendations, Cabinet noted the report and

**RESOLVED to:**

*1. Note the forecast revenue year end position as at the end of November 2018 for the 2018/19 financial year of a net £0.957 million overspend. This represents a £1.259 million improvement on the previous position reported to Cabinet.*

*2. Note the forecast capital year end position as at the end of November 2018 of £99.147 million against the current budget of £99.909 million, reporting slippage of £0.762 against the year end target.*

*3. Note the forecast overspend in the Dedicated Schools Grant (DSG) of £5.7 million in 2018/19, which exceeds the £2.3 million of uncommitted DSG balances brought forward and the £1.35 million additional funds announced in December 2018 to support children with special educational needs and also endorses on going discussions with the Schools Forum to agree actions to bring DSG back into balance.*

*4. Approve the addition of £0.004 million to the Adults Capital programme funded by an insurance contribution.*

*5. Approve the addition of £0.214 million to the Highway Capital budget funded from a variety of sources as outlined in the body of the report.*

*6. Approve the addition of £0.111 million to the Libraries Capital programme funded by developer contributions.*

*7. Approve the addition of £0.025 million to the Information Management Capital budget funded by transfer from the GDPR reserve.*

**7. Sufficiency Strategy - Children's Services**

Cllr Richard Boyles, Cabinet Member for Children and Young People, presented the new 3-year Sufficiency Strategy for Gloucestershire County Council's Children's Services.

Cllr Boyles advised that the Council was required to adhere to statutory guidance as part of its Ofsted recovery journey and that the Sufficiency Strategy was an important statutory document. Cllr Boyles explained that the County Council had a duty of "sufficiency", whereby local authorities and partners are required to ensure, (through direct provision or through commissioned services), a range of placements are sufficient to meet the needs of children are available locally, or that a plan is in

place to move towards this position. It was therefore a requirement for the Council to produce a strategy to describe how it intended to provide sufficient care placements for its children in care.

Cllr Boyles informed Cabinet that a total of 48 children in care and care leavers in Gloucestershire had taken part in consultation sessions throughout 2018. Students had been invited to share their experiences and views, and to provide feedback to form the Gloucestershire Strategy. Stakeholders had also helped shape the strategy, which was now out for formal consultation, (January 2019), seeking further comments and awaiting final sign off.

The Sufficiency Strategy sets out the overall approach to managing demand, focusing specifically on the right solutions at key points within “The Integrated Pathway”. The strategy to focus on planning and delivering sufficient and high-quality accommodation and associated support in order to ensure every child who is looked after away from home achieves their potential, irrespective of their permanence plan.

The Vulnerable Children’s Budget 2019/20, (included in the Medium Term Financial Strategy), was proposed at £84.3 million at the December Cabinet meeting. (Children’s services to be reconfigured within this value). Cllr Boyles stated that the proposed strategy supported efficiency savings through earlier planning of children’s needs and innovative commissioning of placements.

A Due Regard Statement had been completed to consider the equalities impact of the proposed Sufficiency Strategy.

Having considered all of the information, including known proposals, alternative options and reasons for the recommendations, Cabinet noted the report and

***RESOLVED to: -***

- (a) Approve the Sufficiency Strategy for Children and Young People 2018-2021 for publication and implementation*
- (b) Delegate authority to the Director of Children’s Services to develop an implementation plan, in consultation with the Cabinet Member for Children and Young People; and*
- (c) Receive further reports as and when appropriate*

**8. Tendering of Services for Homelessness and People in Vulnerable Circumstances**

Cllr Roger Wilson, Cabinet Member for Adult Social Care: Commissioning, sought approval for the Council to act as the lead authority on behalf of public sector organisations in Gloucestershire for the creation of a multi-supplier ‘Open Framework’ Agreement for the provision of services to people in vulnerable circumstances and homeless with complex needs. The proposed framework will allow the council and partners to procure services to meet local needs and provide

flexibility to respond to changes in Government legislation and potential funding opportunities. Cllr Wilson advised that the primary aim of the framework was to look after those people living in the most vulnerable circumstances.

The 4-year multi-supplier agreement to be divided into specialist 'lots' and provide the vehicle by which the council will continue to deliver Community and Accommodation Based Support services following the end of the current contractual arrangements in March 2020.

The total value of the framework over its term was estimated at £100 million. This included both the council spend estimated at £80 million and that of the participating local partners, estimated at £20 million. The estimated £80m council spend included the recommended investment for the Community and Accommodation Based Support services, (at an estimated total value of £66.3 million), with a potential additional £13.7 million to be invested across the framework by the council over its lifetime.

Cllr Wilson informed members that conversations regarding the design and potential use of the open framework by other commissioners were 'well advanced', in particular, by Children and Families' Commissioners.

Whilst the estimated investment figures were indicative, they provided the ceiling to the investment to allow them to be made through the Open Framework Agreement over its term. This meant the Council and partners would not be committed to the investment levels stated.

Cllr Wilson urged his cabinet colleagues to support the proposals.

Having considered all of the information, including known proposals, alternative options and reasons for the recommendations, Cabinet noted the report and

***RESOLVED to: -***

*Cabinet authorises the Director of Public Health to:*

- 1. Develop and conduct an EU compliant competitive tender process with the Council acting as lead authority for the creation of a 4 year multi-supplier 'Open Framework' for the delivery of services to people in vulnerable circumstances and homeless with complex needs. The 'Open Framework' will be divided into specialist Lots and have a total estimated value of £100M over its term which comprises both the council's projected value of call off contracts (some which may extend for a longer period than the Framework itself) currently estimated to be in the region of £80M and that of the participating local partners.*
- 2. Conduct the tender on the basis that the specialist Lots will be re-opened:*
  - a) Annually on each anniversary of the commencement date of the "Open Framework" throughout its term for the admission of new providers who meet the selection criteria; and*

- b) *At any time during the term of the “Open Framework” in the event that there is a single supplier appointed to one of those specialist Lots who subsequently becomes insolvent or is removed or suspended from the “Open Framework”.*
3. *Upon the conclusion of the competitive tender process, to appoint the preferred provider(s) to each specialist Lot under the ‘Open Framework’ that have been evaluated as meeting the standards set out in the evaluation criteria subject to any limitation on numbers that may have been provided for in the tender process.*
  4. *Simultaneously conduct with the tender process for the “Open Framework” a tender process for the award by the Council of a number of contracts for the provision of Community and Accommodation Based Support Services each contract being for a term of 7 years comprising an initial term of 3 years with 2 options to extend for a further 2 years in each case, with an estimated aggregated total value of all contracts awarded by the Council of £66.3M.*
  5. *Upon conclusion of the competitive tender processes set out in Recommendation 4 above, to enter into in each case a contract with the preferred provider evaluated as offering the Council best value for money for delivery of each of the services. In the event that a preferred provider is either unable or unwilling to enter into that contract with the Council, then the Director Public Health is authorised to enter into such contract with the next willing highest placed and suitably qualified provider in each case.*
  6. *Use the ‘Open Framework’ Agreement to enter into such call off contracts during the term of the ‘Open Framework’ as are required to meet the Council’s assessed needs for the ‘Open Framework’ services in accordance with the Council’s Constitution.*

## **9. High Needs**

Cllr Richard Boyles, Cabinet Member for Children and Young People, sought approval of new arrangements proposed to provide support to children with additional needs.

Cllr Boyles outlined the need to adopt a new approach to assist children with ‘high needs’, (children who need extra help because they have learning difficulties or struggle with school for a range of different reasons). He stated that, in general, education outcomes for children in Gloucestershire exceeded the national average. However, the education system was not working well for some children with ‘high needs’. The number of children relying on Education Health and Care Plans (EHCP) for support had increased rapidly, (a 47% increase since 2015 and the introduction of the SEND reforms), and the progress of children with additional needs was not as good as that of other children.

The ‘Joint Strategy for Children and Young People with Additional Needs’ was developed with input from partners, families, schools, health and social care. The

Strategy replaces the county's SEND strategy and sets out the county's vision to develop and provide services to achieve positive outcomes for children with additional needs. Building on from the strategy, a major high needs consultation was launched in June 2018, from which a number of strategic aims and delivery plan were developed, including;

Strategic aims:

- An inclusive education system characterised by effective early intervention and supported by a skilled workforce able to access specialist support
- High quality specialist provision available locally for those that need it
- Sustainable budget

The aims to be delivered through:

- Primary hubs with devolved funding and co-commissioned support services, linked to parent support networks
- Investment in Restorative Practice
- New approaches to exclusions in secondary schools (details dependent on government announcements)
- Specialist commissioning strategy
- Post-16 Strategy
- Changes to the EHCP process
- Stronger partnership with Schools Forum
- Focus on transition from Early Years settings to primary school.

Setting out the recommendations, Cllr Boyles emphasised the detrimental impact to the Council from the high volume of exclusions the County was currently experiencing before urging Cabinet to approve the Joint Additional Needs Strategy for Children and Young People with Additional Needs, including Special Educational Needs, and the strategic approach to high needs, (set out at section 3.2. of the decision report). It was noted that action would be taken if the excessive number of exclusions continued.

Having considered all of the information, including known proposals, alternative options and reasons for the recommendations, Cabinet noted the report and

**RESOLVED to: -**

*Cabinet is recommended to:*

1. *Approve the Joint Strategy for Children and Young People with Additional Needs, including Special Educational Needs (SEND).*
2. *Agree the strategic approach to high needs set out in para 3.2.*
3. *Apply the Education Risk Reserve (£500,000) to invest in the development of 'hubs' in the primary sector.*

4. *Agree to prioritise £200,000 p.a. funding for Restorative Practice from the 2019/20 High Needs budget with a full evaluation to be carried out jointly with the Schools Forum after the first year.*
5. *Agree the principles outlined for the Specialist Commissioning Strategy and Post 16 SEND Strategy and authorise the Director of Education, in consultation with the Lead Cabinet member for Economy Skills and Growth, to consult on the strategies upon completion.*

**10. Gloucester South West Bypass – Llanthony Road improvements; compulsory purchase order and ancillary orders**

Leader of the Council, Cllr Mark Hawthorne, declared a non-pecuniary interest and chose to leave the meeting for consideration of this item. Cllr Nigel Moor, Cabinet Member for Environment and Planning, chaired the meeting in Cllr Hawthorne's absence.

Cllr Moor sought to authorise the making and submission of a Compulsory Purchase Order to the Secretary of State to compulsorily acquire all land and rights required for the Gloucester South West Bypass Llanthony Road Improvement Scheme. The scheme is included in the County Council's adopted Local Transport Plan.

Cllr Moor informed members that the Llanthony section of the Gloucester South West Bypass was the only section of the A430 not to have undergone improvement works. As a single carriageway, the road often forms a bottleneck, with significant traffic congestion experienced between Llanthony Road and St. Anne Way. The proposed scheme sought to widen the Llanthony section of the road along with refurbishment of traffic signals to maximise traffic flows and improvements to the side road junctions. The scheme to also include improvements to pedestrian crossing facilities as well as the widening of pedestrian and cycle facilities to link to existing facilities at either end of the scheme.

Cabinet was advised there would be no change to the total County Council highways capital grant allocation for the scheme agreed by Cabinet on 18 April 2018. The proposed scheme required the acquisition of third party land to allow the improvements to take place, including demolition of a number of commercial buildings in use. The land in question was currently in the ownership of various owners.

The land acquisition to be progressed via a 'negotiated settlement route' in parallel with a 'compulsory purchase order' route. Cllr Moor explained that, to take this approach provided the council with the flexibility of securing a mutually agreed settlement package for business and property owners combined with the added assurance of taking a compulsory purchase order route should officers be unable to complete the acquisition process via the negotiated route.

It was noted that consultation with relevant landowners and businesses had commenced and was ongoing. The aim of the consultation was to agree compensation values with landowners to enable the scheme to progress.

Outlining each of the recommendations, Cllr Moor drew attention to the Due Regard Statement that accompanied the agenda.

Having considered all of the information, including known proposals, alternative options and reasons for the recommendations, Cabinet noted the report and

**RESOLVED to: -**

*(1) Authorise the making and submission of a CPO to the Secretary of State to compulsorily acquire all land and rights shown coloured pink on the plan for plot numbers 1 to 14 and shown in Appendix A, required for the Gloucester South West Bypass (GSWB) Llanthony Road Improvement Scheme*

*(2) Delegate authority to the Lead Commissioner; Highway Authority, in consultation with the Cabinet Member for Environment and Planning to:*

- If required, authorise the making and submission of a Side Road Order to the Secretary of State (SoS) to make the necessary alterations to the public highways and private means of access affected by the GSWB Llanthony Road Improvement Scheme; and*
- Make any other ancillary orders that might be required to successfully implement the scheme and to undertake the steps necessary to enable the orders identified above to be confirmed and implemented*

**11. Options for Youth Support Service from 2020**

Cllr Richard Boyles, Cabinet Member for Children and Young People, sought to approve procurement options and the provision of Youth Support Services following expiry of the council's current contractual arrangements in March 2020.

Cllr Boyles informed members that the proposals aimed to bring 'in-house' the management of Children-in-Care and Care Leavers in 2019 and make the necessary arrangements for providing Youth Support Services from April 2020, and beyond. The current Gloucestershire integrated Youth Support Service, known as the Youth Support Team (YST), was currently managed by Prospects Services (Shaw Trust) on a contract due for expiry in March 2020 at a value of £5.4million per annum.

The contract included:

- A wide range of statutory and other youth support functions, including Youth offending, NEET and wrap-around services for care leavers, delivered by Prospects staff with other professionals seconded from Health and Police.
- Statutory Social Care and case management for 11-24 Children in Care and Care Leavers, delivered by council-employed Social workers under Prospects management.

Cllr Boyles explained that the proposal to bring in-house the management of statutory social care and case management for 11-24 Children in Care and Care Leavers before April 2020 would support the closer alignment of all aspects of children's social care on the continuing improvement journey post the Ofsted Children's Services Report.

The recommendations proposed to vary the existing contract with Prospects for other youth support services for a one-year period from April 2020. The redesign, followed by the retendering or in-sourcing of the current contract, supported the continued integration of services and would enable a restructure of services to meet emerging needs.

Cllr Boyles informed members that the decision would give the council more oversight, including the opportunity to challenge at an earlier point in a child's placement. This provided a more streamlined service proposal and improved sufficiency planning whilst on the Ofsted recovery journey and beyond.

Having considered all of the information, including known proposals, alternative options and reasons for the recommendations, Cabinet noted the report and

**RESOLVED to: -**

*Authorise the Director for Children's Services, in consultation with the Lead Cabinet Member Children and Young People to:*

- 1. Arrange to bring in house the management of statutory Social Care and case management for 11-24 Children in Care and Care Leavers before April 2020;*
- 2. Identify the range of services for other Youth support and wrap around services and to vary the existing contract with Prospects for such services for one year from April 2020 to March 2021;*
- 3. Undertake a redesign of these Youth support and wrap-around services, followed by recommissioning by April 2021.*

**Leader of Council**

Meeting concluded at 11.25am



# Agenda Item 5

## FINANCIAL MONITORING REPORT: 2018/19

<b>Cabinet Date</b>	13 March 2019
<b>Finance and Change</b>	Cllr Ray Theodoulou
<b>Key Decision</b>	Yes
<b>Other Documents</b>	MTFS Report to 14 <sup>th</sup> February 2018 County Council, and Financial Monitoring Reports to Cabinet 10 <sup>th</sup> October 2018, 19 <sup>th</sup> December 2018, 30 <sup>th</sup> January 2019,
<b>Main Consultees</b>	Corporate Management Team, Senior Officers, Cabinet Members.
<b>Planned Dates</b>	Not applicable
<b>Divisional Councillor</b>	County Wide
<b>Officers</b>	Paul Blacker, Acting Director of Finance (01452) 328999 <a href="mailto:paul.blacker@gloucestershire.gov.uk">paul.blacker@gloucestershire.gov.uk</a>  Jayne Fuller, Corporate Finance Manager (01452) 328926 <a href="mailto:jayne.fuller@gloucestershire.gov.uk">jayne.fuller@gloucestershire.gov.uk</a>
<b>Purpose of Report</b>	To provide an update on the year-end forecast for the 2018/19 County Council's Revenue and Capital Budgets
<b>Key Recommendations</b>	That the Cabinet: <ol style="list-style-type: none"> <li>1. Notes the forecast revenue year end position as at the end of January 2019 for the 2018/19 financial year of a net £0.406 million overspend. This represents a £0.551 million improvement on the previous position reported to Cabinet on 30<sup>th</sup> January 2019.</li> <li>2. Approves the draw down of £0.43 million from the Vulnerable People's Reserve to Children's Services to offset significant in-year variances on external placement budgets.</li> <li>3. Notes the forecast overspend in the Dedicated Schools Grant (DSG) of £5.19 million in 2018/19, which reduces to £1.54 million after adjusting for the £2.3 million of uncommitted DSG balances brought forward and the £1.35 million additional funds announced in December 2018 to support children with special educational needs; and also endorses on going discussions with the Schools Forum to agree actions to bring DSG back into balance.</li> <li>4. Notes the forecast capital year end position as at the end of January 2019 of £98.350 million against the current budget of £100.001 million – in year slippage of £1.651 million.</li> </ol>

	<ol style="list-style-type: none"> <li>5. Approves the addition of £0.045 million to the Children &amp; Families capital budget funded by a revenue contribution.</li> <li>6. Approves the addition of £1.187 million to the Highway Capital budget funded from a variety of sources as outlined in the body of the report.</li> <li>7. Approves the addition of £0.004 million to the Waste Capital programme funded by a revenue receipt.</li> <li>8. Approves the reduction of £0.019 million contribution to the AMPS capital budget as detailed in the body of the report below.</li> </ol>
<b>Resource Implications</b>	<p>These are detailed within the report</p>

## Revenue Expenditure 2018/19

### A. Revenue Forecast Outturn Position 2018/19

1. The current forecast of the year end revenue position against the revenue budget of £418.081 million, based on actual expenditure at the end of January 2019 and forecasts made in February 2019, is a £0.406 million overspend (or 0.10% of the budget). This represents a £0.551 million improvement on the position previously reported to Cabinet.
2. Details of the forecast year end position, analysed by service area, is provided in the table below and the narrative that follows.

#### Directorate Breakdown for Cabinet Report - Position as at the end of January 2019

Service Area	2018/19 Budget	Additional Budget from BRR Pilot	Revised 2018/19 Budget	Forecast Outturn Position	Forecast Outturn Variance	Variance	Forecast Variance Previously reported	Change in variance
	£000					£000		
Adults	144,420	1,000	145,420	145,420	0	0.0%	0	0
Prevention & Wellbeing	33,953		33,953	33,887	-66	-0.2%	-50	-16
Children & Families	103,488	2,600	106,088	114,696	8,608	8.1%	7,966	642
Communities & Infrastructure	87,166	1,000	88,166	88,150	-16	0.0%	-39	23
Business Support Services	28,798		28,798	28,298	-500	-1.7%	0	-500
Support Services Recharges	-28,798		-28,798	-28,798	0	0.0%	0	0
<b>Total for Services</b>	<b>369,027</b>	<b>4,600</b>	<b>373,627</b>	<b>381,653</b>	<b>8,026</b>	<b>2.1%</b>	<b>7,877</b>	<b>149</b>
Technical & Corporate	44,454		44,454	36,834	-7,620	-17.1%	-6,920	-700
<b>Total</b>	<b>413,481</b>	<b>4,600</b>	<b>418,081</b>	<b>418,487</b>	<b>406</b>	<b>0.10%</b>	<b>957</b>	<b>-551</b>

## Adult Social Care

3. Adult Social Care is reporting a balanced position. This forecast position is achieved by using £1.902 million of the Additional Social Care "Winter Pressures" funding allocation (the balance of £0.628 million has been agreed for joint or Gloucestershire CCG activity), the uncommitted £0.800 million Business Rate Retention funding and £0.464 million from Adult Care Reserves.
4. Adult Care reserves currently stand at £4.592 million, though it should be noted that only £1.654 million of this total is held purely as a vulnerable adults reserve. The balance is specifically set aside for new Ordinary Residence cases and additional commitments relating to the National Living Wage and the Care Act. The £0.464 million currently forecast as required from reserves is therefore coverable from the available balance.
5. The £1.581 million Adult Social Care Support Grant partly offsets the underlying overspend. This is temporary funding in 2018/19. At the beginning of the year ASMT agreed to allocate £1.237 million to support the LD budget, with the balance of £0.344 million offsetting the overall position.
6. MTFs savings targets for all client groups are integrated under the Adult Single Programme (ASP) and monitored through Weekly Governance meetings and the ASP Board.
7. LD External Care is projecting a £2.201 million overspend. The overspend assumes the majority of the 2018/19 savings target will be found (£5.146m compared to a target of £6.472m), though significant risk regarding this assumption has been highlighted. Banked savings to date total £3.182 million. The overspend relates to increased demand and increased complexity of some cases.
8. OP and PD External Care is projecting a £1.717 million overspend. The overspend assumes delivery of the majority of the 2018/19 savings targets, though, as for LD, significant risk regarding this assumption has been highlighted. Savings of £5.308 million (target £5.750 million) are included within the forecast, and £3.233 million has been banked to date. The overspend mainly relates to increased care needs for existing cases and to voids / other additional costs relating to homes run by a major provider.
9. The Care Act budget forecast includes contingency funding which could address the impact of savings risks materialising.
10. Mental Health is forecasting an overspend of £0.842 million net of unallocated MTFs funding held by the Lead Commissioner and £0.187 million MTFs AMHPS funding previously forecast as committed. The overspend mainly relates to cases with increasing complexity and therefore higher unit costs.

11. The overall Community Equipment and Telecare position includes an underspend of £0.030 million within Telecare services. Community Equipment services are reported as on-line, net of previously agreed (and non-recurring) funding from the Disabled Facilities Grant.
12. Other Services include all staffing budgets for Adult Social Care, as well as budgets for a number of specific contracts. The forecasts for these services net to a £1.650 million underspend including;

- £0.986 million overspends: LD in-house services (£0.392 million); LD Assessment, Support Planning and Management teams (£0.143 million), £0.170 million savings not achievable this year for the Pre-placement Contract (PPC), £0.103 million on Community Meals and unfunded contract costs for the Electronic Call Monitoring system (£0.178 million).
- £2.353 million significant service underspends: £1.023 million OP/PD Integrated Social Care Management (ISCM), largely due to vacancies and the addition of “Winter Pressures” funding to offset additional demand, £0.291 million Brokerage (posts covered by “Winter Pressures” funding and also vacancies), £0.257 million relating to the Contact Centre, (leavers and vacancy slippage), £0.110 million on the advocacy contract; £0.240 million unallocated government grant; £0.159 million in-house demographic growth currently not included in team budgets, £0.164 million LD other commissioned services, relating to uncommitted Building Better Lives Development (BBLD) fund and employment service budgets, and £0.109 million uncommitted Market Management budget.
- A number of smaller service variances (under £0.100 million) netting to a £0.283 million underspend.

13. Unallocated budgets are reported as underspent by £1.816 million.

This variance includes £1.472 million surplus on permanent funding, relating to £0.398 million uncommitted BCF funding, £0.465 million unallocated MTFS fee inflation/ NLW funding, £0.367 million of ASC Levy held to support pressures emerging from the use of temporary funding (e.g. relating to the Additional Improved Better Care Fund) and £0.242 million of unallocated Adults permanent budget.

The balance of £0.344 million relates to the uncommitted Adult Social Care Support Grant. As noted above this is temporary funding.

## **Prevention and Wellbeing**

14. Services within this area include Public Health, Supporting People and a number of smaller budgets covering the prevention hub team and grants.
15. The current forecast of the year end revenue position is an under-spend of £0.07 million and is due to staff vacancies earlier in the year within the prevention hub team and slippage on an Evolving Communities project.
16. Public Health is reporting a balanced position. Services are funded by a ring-fenced grant, which if unspent is required to be carried forward in a specific reserve. The in-year forecast for Public Health is an under-spend of £0.45 million due to the delay in the development of a new service within healthy lifestyles and lower dispensing costs due to activity related to substance misuse prevention, smoking cessation and health checks. These variances offset the higher dispensing costs in sexual health and a cost pressure for a substance misuse drug treatment. The under-spend will be transferred to the Public Health reserve at year end.
17. Supporting People is reporting a breakeven position but this is based on the assumption that £0.17 million of previous year MTC2 savings linked to Mental Health services will be covered by in-year savings or reserves.
18. Gloucestershire has been selected by the MHLG as an early adopter of the Rapid Rehousing Pathway and in 2018/19 it has been allocated a grant of £0.243 million. Through our strong local relationships with community organisations we will use this funding to rapidly deliver new services to reduce rough sleeping, increase the sustainment of tenancy outcomes and increase the evidence base for the effectiveness of the Somewhere Safe to Stay model.

## **Children & Families**

19. The current forecast of the year end revenue position as at February 2019 for non-DSG funded services is an over-spend of £8.61 million (8.11% of budget). The gross over-spend is £11.64 million, which is reduced to £8.61 million by using the £2.6 million one-off income from the business rates retention pilot and £0.43 million from the vulnerable people's reserve approved by cabinet in March. The increase in the over-spend of £0.35 million is due to the cost and number of external placements and agency social workers.
20. At the end of January 2019 children in care numbers were 699 compared to 549 at the end of March 2016 and although nationally the trend is increasing (circa 3% p.a.) other factors will include the improvement in social work practice through catching up on drift and delay in casework. The number of children in care continues to cause significant pressures on children's services

and in particular against the external placement and safeguarding staff budgets resulting in the over-spend.

21. As part of the 2018/19 budget, additional investment of £7.6 million was approved for external placements. This investment was based on a maximum number of 280 external placements with a unit cost of £61,600 per annum using an 80:20 fostering to residential weighting. The current forecast over-spend against the external placement budget of £7.18 million (41.6% above budget) is due to a higher number of external placements than anticipated, within which the number of residential placements has increased in both absolute and proportionate terms. Many of the residential and supported living placements are required to meet the needs of highly complex children resulting in a current average unit cost of £89,600 per annum. There are currently 314 external placements, of which 82 are residential. The forecast has increased this month by £0.2 million due to additional placements and includes contingencies of £0.3 million for new cases in-year to allow for additional placements to replace existing care commitments or allow for high number of placements.
22. In addition to this young peoples support are forecasting a £0.97 million over-spend due to a number of complex cases and the additional cost of agency staff covering vacancies.
23. The Director of Children's Service's is leading a review of all high cost placements on a regular basis as part of the wider improvement work on permanence planning. The aim is to reduce the cost of external placements where appropriate, given the higher unit costs outlined above, ensure decisions around placement change and permanence are executed in timely child centred manner, and ultimately bring down the forecast over-spend. It is estimated that these reviews will result in approximately £1 million of cost avoidance in 2018/19 and the current estimates identify that this has been achieved to date. Improving social care practice to divert children from care at an earlier point and achieve permanence at the earliest opportunity will reduce costs in the longer term.
24. Safeguarding staffing budgets have received £4.01 million of investment through the MTFS in 2018/19 to reduce caseloads and improve practice within teams. In-year additional funding of £1.45 million has been approved to increase pay and allowances for social workers but recruitment of social workers especially experienced staff continues to be a challenge. Agency staff have continued to cover staff vacancies or where caseloads remain high, resulting in a forecast overspend of £3.15 million. To address this position for 2019/20, changes are being made to improve processes for recruitment as well as put in place more effective advertising. The increase in child protection cases has resulted in additional Child Protection chairs being employed on a temporarily basis resulting in a £0.32 million over-spend.

25. A higher level of activity is also causing an over-spend of £0.88 million in section 17 and discretionary payments for foster carers. New procedures have been put in place to review all significant payments and ensure consistency across teams. Additionally, a resource panel will be put in place to gate-keep significant section 17 expenditure.
26. There are a number of offsetting variances which include services for children with disabilities that are forecast to under-spend by £0.23 million due to lower costs in the residential unit and staff vacancies in the field work teams. Adoption, child arrangement and special guardianship orders are forecast to under-spend by £0.22 million due to lower than expected number of allowances and orders being made and there is an under-spend of £0.1 million reported in home to school transport. Also, in-year uncommitted contingencies of £0.19 million have been released to offset the on-going cost pressures in social care budgets.

### ***Dedicated Schools Grant (DSG) position***

27. Dedicated Schools Grant (DSG) funded services are forecast to be over-spent by £5.19 million in 2018/19, an increase of £0.11 million due to an increase in top up payments. The announcement in December 2018 by the DFE of additional funds to support children with special educational needs has reduced the over-spend by £1.35 million and balances brought forward of £2.3 million reduce the net over-spend to £1.54 million against the ring-fenced grant. As reported last year the cost pressures are in the High Needs Block (forecast over-spend for the block £6.16 million) with over-spends against Independent Special Schools (£1.1 million), special school places (£1 million), top ups for alternative provision services (£1.57 million) and other schools (£2.33 million), all caused by increases to activity and reflects the national picture. Early years budgets are under-spending by £0.54 million due to a lower take up of free nursery entitlement payments.
28. The High Needs Programme is focussing on addressing this financial pressure and the additional funding announced by the DFE for 2018/19 and 2019/20 will ease some of the pressure but not all if expenditure continues at this level in 2019/20. Changes to funding arrangements are currently being discussed with the Schools Forum to bring the DSG back into balance. Any potential over-spend in future years which could not be addressed through the DSG ring-fenced grant may result in a future financial risk to the Council. This reflects an emerging national picture, around which lobbying continues for additional funding and flexibility to move funding between DSG blocks.



## **Communities & Infrastructure**

29. Communities and Infrastructure current forecast is a £0.016 million underspend (0.004% of the budget).
30. Highways Commissioning are reporting a breakeven position to be achieved for this financial year. There are still anticipated overspend due to additional pothole repair works to recover the network following the severe winter, as well as the revised contract arrangements with Amey during the last year of the contract. Although there are some anticipated underspends on capital works during the last year of the contract, additional revenue costs are anticipated with demobilisation of the Amey contract and pre-mobilisation of the new highways contractor. These issues are covered by additional Pothole funding, capitalisation and a mobilisation reserve.
31. The Integrated Transport budget is reporting a £0.074 million overspend position due to long term bus contracts being awarded which include inflationary corrections in the new tender prices. This includes the decision to support the Gloucester / Dursley bus route for 3 months at a cost of £0.014 million and the re-tendered Cirencester to Northleach service which came in £0.012 million above the estimate of £0.800 million shown in the Transport DPS contract list approved by Cabinet last summer. As of early December tender returns were on average 25% higher than previous contract prices. With over 40 subsidised bus contracts, worth over £2 million p.a., expiring over the next 15 months, there is a high risk of additional costs next financial year. Officers are reviewing contract terms and other options to mitigate this risk however a significant residual cost pressure is still likely.
32. Registrar's are reporting an over recovery of £0.134 million of income based on current estimates.
33. Strategic Infrastructure are forecasting a £0.007 million overspend due to an increased staff resource in Transport Planning required to manage the additional workload associated with emerging major transport schemes such as the west Cheltenham Cyber Business Park and M5 J10 and additional scanning costs due to the office move of the Heritage function.
34. The Fire and Rescue Service, Waste, Libraries, Trading Standards and Coroners have small variances which come to a minor overspend of £0.037 million.

## **Business Support Services**

35. The forecast outturn for Business Support Services overall is an underspend of £0.500 million (1.7% of budget).

36. The Business Support Services position includes the following recommendations:
- £0.048 million contribution to the AMPS capital budget funded by a contribution from the AMPS Revenue Budget in respect of School kitchens, and Sandford Park dilapidation.
37. Within Business Support Services, the Strategy & Challenge function is forecasting a balanced position which reflects careful management of expenditure and a one off surplus of income from traded services. The pressures arising from continuing increasing demands arising from childcare legal proceedings and the additional costs arising from the need to use locum staff to cover continuing vacancies remain. The re-tendering of capital works for Archives due to contractor issues is being closely monitored to avoid any unnecessary increases in the cost of works. The costs of extraordinary legal child protection cases will be funded corporately.
38. The forecast underspend on Support Services is primarily as a result of vacancies.

### **Technical and Cross Cutting**

39. The forecast outturn position for Technical and Corporate budgets is a £7.62 million underspend (17.1% of budget), the main reasons are:-
40. Positive interest rate credits on balances are forecasting to achieve an over recovery of income of £3.5 million above budget reflecting better diversification of investments and longer term deposits and additional income following the Bank of England base rate change.
41. The 2018/19 budget included an MtC2 savings contingency; this was approved by Council to reflect the high risk nature of some of the savings programmes in demand led areas in 2018/19. Given the difficulties in achieving savings across some services as outlined in this report the full £1.6 million contingency has been released to support the overall budget.
42. There has been a re-tendering of the insurance contracts, which has resulted in a favourable forecast underspend of £0.182 million on the corporate insurance budget.
43. In addition there is currently a favourable variance forecast underspend on a number of corporate budgets totalling £1.194 million.
44. As part of the provisional Finance Settlement on 13<sup>th</sup> December it was announced that the Council will receive funding of £1.144m relating to the

surplus generated on the 2018/19 Business Rate Levy Account held by Central Government. This money is un-ringfenced funding and it is therefore proposed to use it to partially offset the overall overspend forecast in the current financial year.

**B. Delivery of Meeting the Challenge 3 Savings Programme**

45. At the end of Quarter 3 of the first year of the savings plan (MTC3) we are reporting £12.855 million delivered against a 2018/19 target of £18.686 million. This represents 68.8% of the annual target now achieved.
46. Including the £12.855 million already delivered, a total of £18.142 million is reported as on track and forecast to be delivered by the end of the financial year, which would represent 97.1% delivery.
47. Additionally, there is an outstanding saving of £3.305 million yet to be achieved from MTC2, of which, £1.283 million is on track to be achieved. The most significant element of the shortfall relates to Public Health. In 18/19 this is being offset by the Public Health reserve (the 'carry-forward' of the ring-fenced grant). The longer term plan is under review and due to report back in February 2019.

### MTC3 monitoring report - Q3 2018/19 (Cabinet)

Programme/Project	18/19 savings target	Achieved to date	Forecast 18/19 (incl achieved)	At Risk in 18/19	Notes
<b>MTC2 rollovers</b>		£,000	£,000	£,000	
<b>Children &amp; Families</b>	150	0	0	150	Now expected to delivered in 20/21 with the Public Health joint review.
<b>Public Health</b>	2,496	1,059	1,059	1,437	Achieved planned savings for 18/19, budget position maintained using PH reserves. Planned to be delivered 19/20 & 20/21.
<b>Education</b>	93	93	93	0	
<b>ICT</b>	131	131	131	0	
<b>Supporting People</b>	435	0	0	435	Delayed until 2020/21, but plans in place to cover the budget position.
<b>Total MTC2</b>	<b>3,305</b>	<b>1,283</b>	<b>1,283</b>	<b>2,022</b>	
<b>MTC3</b>					
Education	350	158	270	80	£80k is forecast at risk for 18/19. A plan to cover the in-year position is in place.
Adults Single Programme	11,561	6,409	11,423	138	Currently reporting a small shortfall of £138k, which will be managed within the overall ASC budget position.
Public Health	641	641	641	0	
Supporting People	541	244	264	277	Delays in delivering savings will be covered in the overall budget position in-year.
Parking	50	50	50	0	
Integrated Transport	50	0	50	0	
Libraries	50	50	50	0	
Waste	167	28	118	49	Plans are in place to cover the budget position in year, and recover the permanent reduction in 19/20.
Infrastructure Planning	50	50	50	0	
Fire & Rescue Service	160	160	160	0	
Support services	396	396	396	0	
Commercial approach	250	250	250	0	
Strategy & Challenge	20	20	20	0	
Corporate & Technical	4,400	4,400	4,400	0	
<b>Total MTC3</b>	<b>18,686</b>	<b>12,855</b>	<b>18,142</b>	<b>544</b>	
<b>Total MTC2 + MTC3</b>	<b>21,991</b>	<b>15,421</b>	<b>19,425</b>	<b>2,566</b>	

## C. Capital Expenditure

### Current Spend 2018/19

48. The capital budget for 2018/19 is £100.001 million, an increase of £0.594 million since last reported to Cabinet due additional approval granted at January Cabinet. Actual spend against the capital programme as at end of January 2019 is £68.871 million.

### Budget and Capital Forecast Outturn Position 2018/19

49. The forecast outturn position for 2018/19 against current year budgets is £98.350 million, showing forecast slippage of £1.651 million.

<b>CAPITAL EXPENDITURE 2018/19</b>					
Service Area	Reprofiled Budget 2018/19	Current Year Spend 2018/19	% Current Year Spend against Reprofiled Budget	Forecast Outturn 2018/19	Forecast Year-end Variance
	£000	£000	%	£000	£000
<b>Capital Receipts Works Before Sale</b>	0	0		0	0
<b>Adults</b>	8,281	2,889	35	7,762	-519
<b>Children &amp; Families</b>	24,114	19,912	83	24,098	-16
<b>Communities</b>	0				
Highways	50,898	36,104	71	51,463	565
Strategic Infrastructure	1,984	1,668	84	1,940	-44
Waste Disposal	625	224	36	635	10
Libraries	752	572	76	752	0
Fire & Rescue	1,027	557	54	645	-382
<b>Business Support</b>	0				
AMPS	8,262	5,497	67	8,117	-145
ICT projects	2,327	468	20	1,780	-547
Business Service Centre	282	0	0	92	-190
Archives & Information Management	1,155	730	63	771	-384
Customer	294	252	86	294	0
<b>Total</b>	<b>100,001</b>	<b>68,871</b>	<b>69</b>	<b>98,350</b>	<b>-1,651</b>

### Adults Capital Programme

50. Adult's schemes are forecast to spend £7.762 million in 2018/19, against a current budget of £8.281 million, forecasting a slippage of £0.519 million, £0.060 million less than previously reported to Cabinet.

## **Children and Families Capital Programme**

51. Children and Families schemes are forecast to spend £24.098 million in 2018/19, against a current budget of £24.114 million, forecasting slippage of £0.016 million. This is due to minor slippage on various schemes but this will have no effect on the overall cost of the projects.

## **Highways Capital Programme**

52. Highways schemes are forecast to spend £51.463 million in 2018/19, against a current budget of £50.898 million, giving a forecast in year overspend of £0.565 million. The key areas include;
53. Structural maintenance schemes are forecasting to overspend in year by £0.156 million, the majority of which relates to the need to address additional deterioration that has occurred through the year on several planned carriageway resurfacing projects and additional essential work on bridges and walls. Additional future year funding is available to cover the predicted in year overspend.
54. The Integrated Transport schemes are forecasting to underspend by £0.101 million in 2018/19. This is due to the deferral of the Stroud to Nailsworth Cycle scheme in order to take advantage of potential EU funding.
55. Large Integrated Transport Schemes including Growth Fund schemes are forecasting to overspend by £0.510 million. £0.230 million of this relates to the Lydney Cycle and Walking Improvements scheme where LEP funding is awaiting Cabinet approval requested below. £0.125 million relates to Metz Way where prolongation of the scheme and other site difficulties have resulted in significantly greater site supervision costs, some of which may be recoverable from the contractor in the form of liquidated damages. The remaining £0.155 million relates to schemes that have progressed more quickly than expected and approved funding is already available in future years.

## **Strategic Infrastructure Capital Programme**

56. Strategic Infrastructure schemes are forecast to spend £1.940 million in 2018/19, against a current budget of £1.984 million, forecasting slippage of £0.044 million, as reported at January Cabinet.

## **Waste Capital Programme**

57. Waste schemes are forecast to spend £0.635 million in 2018/19, against a current budget of £0.625 million, forecasting an overspend of £0.010 million. This relates to works at Hempsted HRC where additional surfacing works have been completed, there is already approved budget available to cover this slight overspend.

## **Fire & Rescue Capital Programme**

58. Fire & Rescue schemes are forecast to spend £0.645 million in 2018/19, against a current budget of £1.027 million, forecasting slippage of £0.382 million.

## **AMPS Capital Programme**

59. AMPS schemes are forecast to spend £8.117 million in 2018/19, against a current budget of £8.262 million, forecasting slippage of £0.145 million. £0.250 million slippage relates to a delay in the archaeological works and the ground contamination works on the Quayside Site development. This is off-set somewhat by smaller forecast overspends on three schemes, two of which already have approved funding (Oakley AOC (LD) and GLIC 4-6 Commercial Rd) and approval for a £0.003 million RCCO is requested within this report to finance the other (Sandford Park House).

## **ICT Capital Programme**

60. ICT schemes are forecast to spend £1.780 million in 2018/19, against a current budget of £2.327 million, resulting in forecast slippage of £0.547 million. This relates to delays in delivery of a number of schemes. The two schemes reporting the largest slippage are £0.129 million on the 'Email messaging phase 2' scheme where milestone payments have slipped over the end of the financial year due to resourcing issues. Also £0.228 million on the WAN replacement project, the new WAN Invitation to tender has undergone extensive review based on evolving business requirements and reflecting new market offerings. Meetings have been scheduled with Commercial Services and specialist external resources to determine the new procurement strategy, we hope to procure and implement beginning early in the new financial year.

## **BSC Capital Programme**

61. BSC schemes are forecast to spend £0.092 million in 2018/19, against a current budget of £0.282 million, resulting in forecast slippage of £0.190 million, as reported at January Cabinet. Decisions have recently been taken on this and the middleware projects which will result in expenditure in the first half of 2019/20.

## **Archives Capital Programme**

62. Archives schemes are forecast to spend £0.771 million in 2018/19, against a current budget of £1.155 million, resulting in forecast slippage of £0.384 million. There have been unavoidable delays to the For the Record Archive project which means the spend will roll over in to the next financial year.

## **All other Capital Programmes**

63. All other programmes are forecast to spend in line with the revised budget for the year.

## **Changes to the Capital Programme in 2018/19 and future years**

### **Children and Families**

64. It is proposed that Cabinet support an increase of £0.045 million in the Children & Families capital budget funded by an RCCO from AMPS for the school kitchen refurbishment scheme.

### **Highways**

65. It is proposed that Cabinet support an increase of £1.187 million in the Highways capital budget, funded by the following additional resources;
- £1.000 million LEP grant for the Lydney Cycle and Walking Improvements scheme (approved budget £1m)
  - £0.137 million of Highways Locals revenue contributions identified to part fund structural maintenance schemes which have been agreed with individual Councillors.
  - £0.133 million Developer and Parish contributions towards smaller Integrated Transport schemes
  - Reduction of £0.100 million approved contribution from Stroud District Council. The Wildlife Trust will be procuring the Nailsworth Cycle Track surfacing scheme so the SDC contribution will go direct to the Wildlife Trust therefore the approval will be removed from the Capital Programme.
  - £0.017 million contribution from Cotswold District Council for the Ashcroft Road, Cirencester scheme. This is the additional cost for undertaking the work on Sundays.

### **Waste**

66. It is proposed that Cabinet support an increase of £0.004 million in the Waste capital budget funded by income from the sale of Waste equipment for the Compactors scheme.

### **AMPS**

67. It is proposed that Cabinet support an increase of £0.003 million in the AMPS capital budget funded by an RCCO from AMPS for the Sandford Park House scheme. Also that Cabinet note the removal of the remaining approval of £0.022 million funded from capital receipts for the purchase of 33 Paygrove Lane following the completion of the scheme.

### **Overall Change to Capital Programme**

68. As a result of the above changes, the overall capital programme will increase by £1.217 million. £0.287 million of which is anticipated to be spent during the current financial year.



## DYNAMIC PURCHASING SYSTEM – CHILDREN AND YOUNG PEOPLE

To consider options for commissioning day and residential placements at Independent and Non-maintained Special Schools and Colleges for Children and Young People with additional needs for the period 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2026

<b>Cabinet Date</b>	13 <sup>th</sup> March 2019
<b>Children &amp; Young People</b>	Cllr Richard Boyles
<b>Key Decision</b>	Yes
<b>Background Documents</b>	<p>West Sussex County Council's Partnership Agreement for Purchasing Children's Placements and Other Support Services</p> <p><a href="#">2017 decision to consider options for procuring care and education placements.</a></p> <p><a href="#">2018 decision to extend partnership agreement with West Sussex to continue procuring care and education placements.</a></p>
<b>Location/Contact for inspection of Background Documents</b>	Background papers are available by contacting Forrest Wilhoite, SEND Development Manager, <a href="mailto:forrest.wilhoite@gloucestershire.gov.uk">forrest.wilhoite@gloucestershire.gov.uk</a>
<b>Main Consultees</b>	Internal Stakeholders West Sussex County Council South West Regional Local Authorities
<b>Planned Dates</b>	If the recommendation is approved, the proposed Dynamic Purchasing System (DPS) shall continue for an initial period of 3 years commencing 1 <sup>st</sup> April 2019 and include an option to extend such term by a further period of not more than 4 years (expiring no later than 31 <sup>st</sup> March 2026).
<b>Divisional Councillor</b>	All
<b>Officer</b>	Clare Medland, Head of Commissioning for Learning Email: <a href="mailto:clare.medland@gloucestershire.gov.uk">clare.medland@gloucestershire.gov.uk</a> Tel: 01452 328686

<b>Purpose of Report</b>	To agree the future arrangements for the commissioning of day and residential placements at Independent and Non-maintained Special Schools and Independent Specialist Colleges for Children and Young People with Additional Needs.
<b>Recommendations</b>	<p>That the Cabinet Member for Children and Young People:</p> <ol style="list-style-type: none"> <li>1. Authorises the Director of Education to execute a Partnership Agreement with West Sussex County Council (WSSCC) under which Gloucestershire County Council shall be entitled to join WSSCC's Dynamic Purchasing System (DPS) for Children's Placements and Other Support Services (CPOSS) for the purpose of commissioning day and residential education placements for children and young people (0-25) with additional needs. The proposed Partnership Agreement shall continue for an initial period of 3 years commencing 1<sup>st</sup> April 2019 and include an option to extend such term by a further period of not more than 4 years (expiring no later than 31<sup>st</sup> March 2026);</li> <li>2. Authorises the Head of Services for Children with Additional Needs: <ol style="list-style-type: none"> <li>(a) to utilise the West Sussex County Council CPOSS DPS in order to commission and award contracts thereunder for the delivery of day and residential education placements for Children and Young People (0-25) with additional needs as offering the Council best value for money for delivery of the services in accordance with the DPS requirements the period described in paragraph 1.</li> <li>(b) to report back to Cabinet at the end of each 12 month period throughout the period described in paragraph 1 above in order to provide details of the aggregate value of contracts awarded using the West Sussex County Council CPOSS DPS in that period and cumulatively together with authority to enter into higher value individual contracts over £500K to be awarded within the subsequent 12 month period.</li> </ol> </li> </ol>
<b>Reasons for recommendations</b>	<p>The existing contract in respect of the commissioning and supply of residential and day placements at Independent and Non-maintained Special Schools and Independent Specialist Colleges for Children and Young People with Additional Needs shall expire 31<sup>st</sup> March 2019.</p> <p>The proposed new West Sussex County Council CPOSS DPS has been developed with West Sussex County Council, Bath and North East Somerset Council, Brighton and Hove City Council, Bristol City Council, Portsmouth City Council, South Gloucestershire Council and Wiltshire County Council. This will ensure access to a wide range of appropriate and cost effective specialist placements for children and young people with additional needs.</p>

	<p>The Council must have a robust, transparent and legally compliant procurement process in place to commission day and residential education placements at independent or non-maintained schools and colleges for children and young people up to the age of 25.</p>
<p><b>Resource Implications</b></p>	<ul style="list-style-type: none"> <li>• The proposed partnership agreement West Sussex County Council will have no intrinsic value in its own right but will provide the mechanism for commissioning placements for Children and Young People using the West Sussex County Council CPOSS DPS.</li> <li>• The cost of commissioning such placements will be met from existing council resources through the Dedicated Schools Grant (DSG), Social Care agency budget and the NHS.</li> <li>• The total spend on commissioning such placements in 2019/20 is anticipated to be approximately £17.1m based on current spend and projections. Over the initial 3 year term the anticipated total spend, is forecast to be £56m. If the contract term is extended by 4 years, the anticipated total spend is forecast to be in the region of £100m.</li> </ul>

## **MAIN REPORT CONTENTS**

### **Introduction**

1. Gloucestershire provides a wide range of high quality mainstream and specialist provision for children and young people with additional needs, including those with special educational needs. This provision is designed to meet the spectrum of needs and is regularly reviewed to ensure that it continues to reflect the levels of demand within the county.
2. However, a small but significant number of children and young people with additional needs, including those with Education, Health and Care Plans (EHCP) have more complex needs and sometimes require placements in independent/non-maintained special schools (ISS/NMSS) and colleges where their needs can be more appropriately met.
3. In December 2018 there were 247 Children and Young People placed in ISS/NMSS and care provisions. These placements were either made through the statutory process of naming provision within the child's or young person's Education Health and Care Plan (EHCP) or were jointly commissioned with Social Care and Health through the Children and Young People's Exceptional Residential Needs Panel (CYPERN). The cost to the council of placements for the 2018/19 financial year is forecast to be £9.65m funded by the DSG, £6.7m from the social care agency budget, and £0.4m contributed from Health budgets.

### **Background**

4. In February 2017 The Lead Cabinet Member for Children and Young People approved the Council's participation in a new procurement process led by West Sussex County Council to establish a new DPS for the purposes of awarding specific contracts thereunder for service user placements at Independent Special Schools/Non-maintained Special Schools. The DPS has now been established and shall continue for an initial period of 3 years commencing 1<sup>st</sup> April 2019 and include an option to extend such term by a further period of not more than 4 years (expiring no later than 31<sup>st</sup> March 2026).
5. ISS/NMSS and independent specialist colleges are regulated and funded differently to our own schools. The council must therefore have a robust and transparent procurement process in place for effective commissioning and monitoring of day and residential educational placements at settings.
6. The council is currently participating in the soon to expire West Sussex Special Educational and Disabilities DPS (Dynamic Purchasing System) along with other South West participating Local Authorities (Bristol City Council, South Gloucestershire Council, North Somerset Council, Bath & North East Somerset Council and Wiltshire Council). Each local authority is responsible for commissioning its own placement requirements through the DPS. Such arrangements will expire on 31<sup>st</sup> March 2019.
7. The council is committed to commissioning the majority of placements through the proposed new West Sussex County Council CPOSS DPS. Whilst the council's aim is to use the said DPS to fully meet its placement requirements, spot purchasing will still be necessary on occasions where highly specialist provision is required outside the scope of the DPS – especially for independent colleges who are not part of the current DPS.

## Options

**A. Delegate authority to the Director of Education to enter into a Partnership Agreement with West Sussex County Council to join their Dynamic Purchasing System (DPS) for Children's Placements and Other Support Services (CPOSS) for the commissioning of day and residential education placements for children and young people (0-25) with additional needs for the period 1 April 2019 – 31 March 2026 (with an initial term of 3 years and an option to extend up to a further 4 years)**

- i. The DPS is a legally compliant, open electronic purchasing system, which has more flexibility than a framework in that new provider's can join at regular intervals to refresh the market and maintain value for money. It also encourages market development because of its transparent nature which gives all providers the intelligence they need to develop services in line with identified need and demand across the region.
- ii. A DPS includes a pre-qualified list of accredited service providers to whom local authority purchasers may award contracts for services. However under the DPS the council must carry out a formal competition process between all of the pre-qualified service providers on each occasion that it wishes to award a contract for specific services. This market competition encourages better value for money.
- iii. In order for Gloucestershire and other local authorities to use the West Sussex DPS, West Sussex County Council require these local authorities to enter into a partnership agreement with West Sussex Council which sets out the contractual relationship between Gloucestershire and West Sussex County Council. The Agreement states that each partner local authority will enter into their own Service Contracts for individual placements with the selected provider and that the Agreement is not a contract for the supply of goods and services.
- iv. More detailed information on the West Sussex model is available at Appendix 1.
- v. In supporting this option there will be to authorise the Head of Services for Children with Additional Needs:
  - (c) to utilise the West Sussex County Council CPOSS DPS in order to commission and award contracts thereunder for the delivery of day and residential education placements for Children and Young People (0-25) with additional needs during the period described in paragraph 1.
  - (d) to report back to Cabinet at the end of each 12 month period throughout the period described in paragraph 1 above in order to provide details of the aggregate value of contracts awarded using the West Sussex County Council CPOSS DPS in that period and cumulatively.

**B. For Gloucestershire to undertake a tendering process independently of the West Sussex County Council model**

- i. Gloucestershire County Council has previously led on the implementation of a South West framework and there are already other commissioning frameworks in

place within the council, so this option would be possible. However, in addition to the intensive resource which would be required to set up a stand-alone solution, it would also limit the council's purchasing power and potential economies of scale afforded by the flexibility and size of a multi-council DPS led by West Sussex.

### **Resource implications**

8. The West Sussex DPS agreement will have no intrinsic value in its own right but will provide the mechanism for commissioning day and residential placements in independent Special Schools, Non-Maintained Special Schools and independent Specialist Providers (including Colleges) for children and young people with additional needs. The proposed DPS will enable the council to reduce the number of spot purchases it makes, leading to more robust, transparent processes. It will also increase the purchasing power of the partner authorities and lead to greater economies of scale.
9. The cost to the council of placements for the 2018/19 financial year is forecast to be £9.65m funded by the DSG, £6.7m from the social care agency budget, and £0.4m contributed from Health budgets.
10. Based on current numbers, the forecast spend for the 3 year period 2019/20 to 2021/22 is £56m. Total spend during the same period is subject to change dependant on placement numbers and need.
  - i. The forecast spend on high needs placements for 2019/20 is approximately £10.1m (Education) + £7.0m (Social Care) and £0.5 contributed from Health budgets.
  - ii. The forecast spend on high needs placements for 2020/21 is approximately £10.9m (Education) + £7.4m (Social Care) and £0.51 contributed from Health budgets.
  - iii. The forecast spend on high needs placements for 2021/22 is approximately £11.7m (Education) + £7.6m (Social Care) and £0.52 contributed from Health budgets.
11. If the contract term is extended by a further 4 years, the anticipated total spend is forecast to be in the region of £100m.
12. The costs of these placements will be met within existing council resources through the Dedicated Schools Grant (DSG), Social Care agency budget and Health. Should the council consider setting up its own framework, costs associated with this are likely to exceed £50k (to include resource from Children's Services, the Commercial Unit and Legal Services). A solely localised option will reduce the purchasing power of the Local Authority and a loss through economy of scale.

### **Risk Assessment**

13. There are two main risks associated with the recommendations in this report:

- i. Key providers fail to join the new DPS.

#### Mitigation

Regional and local market engagement will be arranged for current and new providers within the arena.

- ii. There is a challenge to the council's procurement method.

Mitigation

The proposed DPS has been procured under the "light touch regime" prescribed under Chapter 3, Section 7 of the Public Contracts Regulations 2015, hence it would be more accurate to describe it as a "pseudo DPS". A pseudo DPS offers a recognised, transparent and public procurement law compliant procurement process. It is an open list method of procuring services hence it will provide opportunities for new providers to join the list during the lifetime of the DPS. By consequence thereof, the DPS will reduce the need to award placements 'off-contract' and this will in itself reduce the risk of legal challenge to the proposed process.

**Officer Advice**

- 14. Officers recommend that the Cabinet Member adopts Option A, and enters into a Partnership Agreement with West Sussex County Council to join their Dynamic Purchasing System (DPS) for Children's Placements and Other Support Services (CPOSS) for the commissioning of day and residential education placements for children and young people (0-25) with additional needs for the period 1 April 2019 – 31 March 2026.
- 15. The CPOSS DPS offers outcomes-based commissioning that focuses on the long term changes that services and activities achieve. It differs from conventional commissioning which has tended to focus on outputs rather than outcomes. The benefits of outcomes-based commissioning include: shifting the focus of public resources from particular activities and outputs towards the outcomes that matter most for children and their families; and creating more scope for providers to innovate to achieve outcomes by reducing the level of prescription in service specifications.
- 16. In coming to this recommendation, officers have taken into account the need to ensure that placements provide good value for money and are provided based on a robust assessment of individual needs.
- 17. Other local authorities currently operating within the South West Region are also planning to join the new West Sussex DPS. Gloucestershire will continue to benefit from access to a wide range of providers and maintain South West sub-regional links. No additional resources from the council are required to implement this recommended option – which will provide efficiencies and reduce the cost of placements.
- 18. The alternative localised option provides less flexibility in actual provision and it would require significant investment by the council to design, implement and manage a stand-alone framework and to complete its own checks on providers to ensure continued quality.

**Equalities considerations**

- 19. A Due Regard statement has been produced. The proposal does not discriminate against any of the protected groups and actively seeks to improve outcomes for children and young people with additional needs by ensuring that they are able to have access to education and social care provision which meets their individual needs.

20. Cabinet Members should read and consider the Due Regard Statement in order to satisfy themselves as decision makers that due regard has been given.

### **Consultation feedback**

21. In collaboration with the Education Health and Care Plan (EHCP) Manager, commissioners are able to confirm that Gloucestershire's involvement in the development of the CPOSS DPS ensured that the purchasing system is robust and will meet the needs of our Children and Young People, whilst still offering the flexibility to accommodate future demands.

### **Performance Management/Follow-up**

22. West Sussex County Council will lead on the ongoing maintenance of the DPS.

23. Monitoring of the quality of provision by pre-approved providers will be co-ordinated with partner councils to the DPS agreement to make the most effective use of resources and other performance management will include:

- Having a clearly defined monitoring framework against which providers will continue to be monitored.
- Placement contracts including specific and measurable standards and outcomes so they can be actively managed through regular monitoring meetings with providers.
- Monitoring will include feedback from young people, parents/carers, commissioning officers and social workers through individual review processes.
- Monitoring will include feedback from any complaints received about the service or standard of care provided.

A report will be provided on an annual basis to Cabinet throughout the period of the contract in order to provide details of the aggregate value of contracts awarded using the DPS in that period and cumulatively. In addition, individual decisions will be sought for those contracts which are above the key decision threshold either through forward planning as part of the annual report or through a separate decision.



<b>Report Title</b>	Approval to participate in and commission services under a Dynamic Purchasing System (DPS) for the commissioning of day and residential placements at Independent and Non-maintained Special Schools (Including Colleges) for Children and Young People with additional needs
<b>Statutory Authority</b>	Gloucestershire County Council
<b>Relevant County Council policy</b>	Looking To The Future
<b>Resource Implications</b>	<ul style="list-style-type: none"> <li>• The proposed partnership agreement West Sussex County Council will have no intrinsic value in its own right but will provide the mechanism for commissioning placements for Children and Young People using the West Sussex County Council CPOSS DPS.</li> <li>• The cost of commissioning such placements will be met from existing council resources through the Dedicated Schools Grant (DSG), Social Care agency budget and the NHS.</li> <li>• The total spend on commissioning such placements in 2019/20 is anticipated to be approximately £17.1m based on current spend and projections. Over the initial 3 year term the anticipated total spend, is forecast to be £56m. If the contract term is extended by 4 years, the anticipated total spend is forecast to be in the region of £100m.</li> </ul>
<b>Sustainability checklist:</b>	
Partnerships	Working in partnership with internal and external professionals will help to provide more tailored support for children and young people with additional needs.
Decision Making and Involvement	The Cabinet Member for Children and Young People will decide whether to approve the recommended option.
Economy and Employment	Potential for improved outcomes for children and young people with additional needs to increase their adult employment opportunities
Caring for people	Working in partnership with other providers will help to provide more tailored support for children and young people with additional needs
Social Value	Potential for improved outcomes for children and young people leading to increased positive involvement in local communities.
Built Environment	No Impact

Natural Environment' including Ecology (Biodiversity)	No Impact
Education and Information	This will provide the opportunity to improve the education and care outcomes for children and young people with SEND
<b>Tackling Climate Change</b>	Carbon Emissions Implications? Neutral Vulnerable to climate change? No
<b>Due Regard Statement</b>	Has a Due Regard Statement been completed? Yes - considerations included in main body of report  A copy of the full Due Regard Statement can be accessed on GLOSTEXT via <a href="http://glostext.gloucestershire.gov.uk/uuCoverPage.aspx?bcr=1">http://glostext.gloucestershire.gov.uk/uuCoverPage.aspx?bcr=1</a>  Alternatively a hard copy is available for inspection from Jo Moore, Democratic Services Unit, e-mail: <a href="mailto:jo.moore@gloucestershire.gov.uk">jo.moore@gloucestershire.gov.uk</a> .
<b>Human rights Implications</b>	None
<b>Consultation Arrangements</b>	None

## Appendix 1; The West Sussex DPS

West Sussex County Council's current DPS has been operating for over 5 years and ends on 31 March 2019. The LA has seen the benefits of being able to shape the market – providers are able to diversify and amend their offer in response to need. The new DPS has built upon previous learning and engagement from key stakeholders to become more outcome focussed.

- West Sussex's system for sourcing individual placements from the DPS uses secure email to send each anonymised case along with the relevant part of the EHCP to providers this would remain the same with Gloucestershire County Council making its own individual placements from the DPS list. West Sussex would take responsibility for collecting all the tender submissions and will share the information with other Local Authorities.
- It is a mandatory requirement for all schools and colleges to complete a fee breakdown template and quality assurance documents to be a recognised provider.
- Where parents express a preference on a particular school that is not on the DPS, brokerage will put the placement out to the DPS as well as consulting with the parents' preferred school. Parents are then able to see the choice available to them.
- The DfE want to explore the possibility of scaling up the DPS regionally, innovation funding was provided to facilitate this. So far, this has involved developing a Common Outcomes Framework that West Sussex has built into the contract.
- West Sussex has also included Independent Post 16 provision (ISP) within the DPS.

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# Agenda Item 7

## COST PRESSURES AND CONTINUED SUPPORT FOR SUBSIDISED PUBLIC TRANSPORT CONTRACTS

<b>Cabinet Date</b>	13 March 2019
<b>Environment and Planning</b>	Cllr Nigel Moor
<b>Key Decision</b>	Yes
<b>Background Documents</b>	Tender and award of transport contracts under the dynamic purchasing system for transport – 18 July 2018 Review of public transport, community transport and concessionary fares - 3 <sup>rd</sup> February 2016
<b>Location/Contact for inspection of Background Documents</b>	<a href="#">Transport DPS Cabinet Report July 2018</a> <a href="#">February 2016 Cabinet report</a>
<b>Main Consultees</b>	Local elected members, bus users, affected communities and public transport operators will be consulted during the process of implementing of this decision.
<b>Planned Dates</b>	Review contracts in 2019/20. Implement changes in 2019/20 and 20/21
<b>Divisional Councillor</b>	All
<b>Officer</b>	Philip Williams, Lead Commissioner Community Infrastructure 01452 328482 <a href="mailto:philip.williams@gloucestershire.gov.uk">philip.williams@gloucestershire.gov.uk</a>
<b>Purpose of Report</b>	To seek Cabinet approval to review subsidised public transport services and implement measures to manage future public transport arrangements across the county.
<b>Recommendations</b>	To delegate authority to the Lead Commissioner for Community Infrastructure, in consultation with the Cabinet Member for Environment & Planning to  1) review, consult, procure and award where necessary transport contracts; and  2) review mechanisms for contract inflation, bus subsidies and the competitiveness of the local bus market, and report back with recommendations:
<b>Reasons for recommendations</b>	To effectively manage public transport cost increases within existing resources and enable communities to access essential services.

<b>Resource Implications</b>	In February Full Council agreed to add £223k to the public transport budget to help mitigate cost pressures in 2019/20. Adopting the recommendations will further manage the residual cost pressure of £227k and longer-term cost pressures.
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## **MAIN REPORT CONTENTS**

### **1. Background**

1.1 The council spends around £3m each year on public transport services to enable communities across the county to access essential services including work, education, health and food shopping. Around one quarter of this is funded by developers through section 106 planning obligations to mitigate the transport impacts of development and to provide residents with access to key services.

1.2 Since 2016 Cabinet has delegated authority to officers to procure and award over the next year a list of high value bus service contracts each costing in excess of £500,000 over the full contract term. However tenders since April 2018 have shown considerable cost increases, in some cases exceeding the predicted values in the Cabinet decision.

1.3 The cumulative effect of awarding contracts could result in an overspend of the public transport budget. This risk is magnified because many contracts that were last awarded following a major review of bus services in 2011/12 come to an end in 2018/19 and 2019/20.

1.4 Since 2015, in order to protect the breadth of public transport services the council has not automatically awarded inflationary increases on its bus contracts. As these contracts approach renewal this increases the pressure for cost increases.

### **2 Contract Price Increases**

2.1 Since April 2018 there have been significant cost increases in tender responses from the local bus operators. The contracts tendered have been broadly identical to existing bus provision, and in a number of cases as a consequence, officers have arranged a short term award under delegated powers in consultation with the cabinet member to ensure service continuity whilst we review options and consult key stakeholders on possible changes.

2.2 Table 1 shows in-year and full year effects of cost increases across all public transport tenders issued during this period. These show increases averaging 35% compared with previous contracts

CONTRACT	DESCRIPTION	NEW CONTRACT START	NUMBER OF BIDDERS	PREVIOUS CONTRACT START DATE	OLD PRICE	NEW PRICE	% CHANGE	FULL YEAR CHANGE
DG351D	Gloucester - Tewkesbury	29/07/2018	2	06/07/2014	£ 95,000	£ 105,505	11%	£ 10,505
EA353D	Gloucester - Longlevens	29/07/2018	2	15/04/2012	£ 25,000	£ 39,233	57%	£ 14,233
EA006D	Combined with EA013D, DA071D -	02/09/2018	3	13/11/2014	£ 88,100	£ 125,000	42%	£ 36,900
EA013D	Tewkesbury & Gloucester area							
DA071D								
EB113D	Nene Close - Hempsted - Gloucester	19/08/2018	1	29/04/2018	£ 13,725	£ 14,657	7%	£ 932
EC113D	Arlingham - Gloucester	19/08/2018	3	29/09/2018		£ 21,746		
EA66SD	Leonards Stanley & Kings Stanley eves & Sun	19/08/2018	1	13/11/2011	£ 43,564	£ 92,138	112%	£ 48,574
AD802D	Bourton - Rissingtons - Kingham - Stow	24/09/2018	1	29/09/2015	£ 116,800	£ 142,500	22%	£ 25,700
AD855	Northleach - Bourton - Cirencester	29/10/2018	1	29/10/2018	£ 85,075	£ 116,000	36%	£ 30,925
CD00ND	Cheltenham - Noverton Park	29/10/2018	3	13/11/2011	£ 38,000	£ 34,635	-9%	-£ 3,365
ED060I	Thornbury - Gloucester Sunday & B. Hols	01/11/2018	1	04/09/2016	£ 36,794	£ 20,962	-43%	-£ 15,832
DA066DN	Dursley trial	26/11/2018	D.A.	Previously a commercial		service		£ 27,450
GB761D	Forest local routes	31/10/2018	1	No previous	£ 104,900	£ 165,900	58%	£ 61,000
BD882D	Gloucester - Cirencester - Tetbury	01/01/2019	3	30/12/2018	£ 130,000	£ 195,000	50%	£ 65,000
DA606N	Winchcombe - Willersey	04/02/2019	D.A.	03/04/2016	£ 50,000	£ 90,000	80%	£ 40,000
CB00WN	Cheltenham - B. Cleeve - Winchcombe	04/02/2019	D.A.	02/09/2015	£ 70,000	£ 110,000	57%	£ 40,000
			(D.A. direct award)			Average	35%	

**Table 1: Contract price increases during 2018/19**

2.3 These increases have put additional pressures on the public transport budget this year and further measures are required in order to enable effective public transport coverage to be provided across the county next year and in future years.

### 3 Factors leading to contract price increases

3.1 There are a range of factors influencing the cost pressures on operators, some of which are outside of the operators' and the council's control. These include:

a) Employment costs. The rising minimum wage and national living wage is putting pressure on employers regarding their employment of support staff, which is being reflected in tender submissions. There is also a shortage of drivers which is also creating a pressure for wage inflation.

b) Legislative costs. Accessibility and air quality regulations are starting to impact tender submissions. As coaches may no longer be used to provide day to day local bus services as they do not comply with low floor regulations, a number of suppliers have dropped out of the bus market, making it less competitive.

c) Lack of competition. Today in Gloucestershire there are less than half the number of operators than there were in 2006. While some of this is driven by legislative changes, tighter standards have also played their part. Stagecoach now carry over 95% of the county's bus passengers, with Pulhams carrying around 2%. Nine other operators run public transport services, not including the voluntary sector.

d) Cessation of annual inflationary contract increases. Until 2014/15 operators of contracts let under the old Public Transport Framework were awarded annual price increases in line with



the retail prices index. In 2015 this ceased in order to protect the breadth of public transport coverage across the county given the financial context for local authorities. One consequence of this change is a sharp correction in prices when contracts are retendered.

3.2 Specialist public transport consultants were commissioned in early February to look at issues that may be causing contract price increases and will be making recommendations in March. As part of this work they have spoken to several local bus operators and are reviewing our policies, procedures and contracts.

#### **4. Mitigations**

There are a number of steps that the council can and have taken to tackle the imminent and longer-term issues in respect of public transport provision.

4.1 Review costs across a range of bus contracts already let and up for re-tender.

4.2 Re-tender where costs have increased significantly by entering into shorter term contracts with providers to ensure the contract is more affordable. Operators have informed us that longer contracts can result in them submitting increased annual prices due to the requirement for new vehicles within the life of the contract, this is due to the natural end to a vehicle's useable life within that period, not a specification within the contract for new vehicles.

4.3 Offer a contract inflationary price increase in future tenders based on a published index or a fixed percentage.

4.4 review the £8 (rural) and £2 (urban) price per passenger return journey cap agreed in the February 2016 Cabinet report to ensure that they are set at the correct level.

4.5 Work with the market to promote tendering opportunities to bus operators who do not currently bid for contracts, and to make the market place more competitive.

4.6 In February Full Council agreed an extra £223k for subsidised public transport services. . Community transport and concessionary fares budgets each also received a further £100k. As these increases are permanent they will help to reduce the financial pressure in 2019/20 and in future years.

#### **5. Risk Assessment**

5.1 It is prudent to act now to manage the financial risk of overspending its public transport budget in 2019/20 and avoids the need for more urgent and substantial changes later which may have a greater impact on communities or groups of people dependent on public transport. By reviewing services now the council can reduce this financial risk and manage the residual risk within the overall Communities and Infrastructure budget during 2019/20.

5.2 Decisions to award higher value contracts are taken using authority delegated by Cabinet under the Transport DPS Cabinet decision. The steps proposed in this report will also ensure

that decisions taken to award bus contracts comply with the council's internal governance standards and scheme of delegations.

## **6. Officer Advice**

6.1 Local bus services play an essential role in enabling people to live active lives, maintain social networks, and access essential education, training, employment and health services. Whilst 90% of bus trips made in Gloucestershire are on commercial services, these tend to be in more densely populated areas and at busier times of the day and week. The council uses its powers to fund local bus services that are not provided on a commercial basis in order to manage the risk of social isolation and enable communities to be vibrant places in which to live work and visit.

6.2 Implementing the mitigating measures outlined in section 4 and the recommendations will help to ensure the sustainability of the bus network.

## **7. Equalities considerations**

7.1 A high proportion of users of subsidised public transport services are older people, younger people and people with disabilities. These are protected characteristic groups so when considering any changes the council will give careful consideration to their needs.

7.2 A due regard statement for reviewing public transport services has been completed for this decision. This highlights the importance of using bus data and the feedback from consultation with users in order to identify particular groups at risk and find ways of mitigating any negative impact(s) for them.

## **8. Consultation feedback**

8.1 Public consultation will form part of the review process for each bus service where changes are proposed. Feedback from consultation will be shared with the Lead Cabinet Member as part of the process for deciding upon and implementing future service changes.

## **9. Performance Management/Follow-up**

9.1 Public transport service contracts are closely monitored by the Integrated Transport Unit. Operators provide monthly information on patronage, revenue and concessionary fares use. This helps officers to understand demand and the nature of trips being made.

<b>Report Title</b>	<b>Cost pressures and continued support for subsidised public transport contracts</b>
<b>Statutory Authority</b>	Transport Act 1984 and associated regulations The Public Contracts Regulations 2015
<b>Relevant County Council policy</b>	Local Transport Plan <a href="https://www.gloucestershire.gov.uk/transport/gloucestershires-local-transport-plan-2015-2031/bus/">https://www.gloucestershire.gov.uk/transport/gloucestershires-local-transport-plan-2015-2031/bus/</a>
<b>Resource Implications</b>	In February Full Council agreed to add £223k to the public transport budget to help mitigate cost pressures in 2019/20. Adopting the recommendations will further manage the residual cost pressure of £227k and longer-term cost pressures.
<b>Sustainability checklist:</b>	
Partnerships	No significant impact
Decision Making and Involvement	No significant impact .
Economy and Employment	No significant impact
Caring for people	No significant impact
Social Value	No significant impact
Built Environment	No significant impact
Natural Environment' including Ecology (Biodiversity)	No significant impact
Education and Information	No significant impact
<b>Tackling Climate Change</b>	Carbon Emissions Implications? Positive Vulnerable to climate change? No
<b>Due Regard Statement</b>	Has a Due Regard Statement been completed? Yes
<b>Human rights Implications</b>	None

<b>Consultation Arrangements</b>	Should changes be proposed that may impact on local communities, full engagement will take place with county councillors and bus users affected.
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## SCHEDULE OF PROPOSED DISPOSALS

<b>Cabinet Date</b>	13 March 2019
<b>Finance and Change</b>	Cllr Ray Theodoulou
<b>Key Decision</b>	Yes
<b>Background Documents</b>	Cabinet decision on <a href="#">Schedule of Proposed Disposals October 2018</a>
<b>Location/Contact for inspection of Background Documents</b>	Through the above link to the County Council's website
<b>Main Consultees</b>	Lead Cabinet Member, Officers from across Gloucestershire County Council, partner organisations where appropriate and GCC Property Board
<b>Planned Dates</b>	Ongoing
<b>Divisional Councillor</b>	All
<b>Officer</b>	Neil Corbett, Head of Property Services 01452 328813 Email: <a href="mailto:neil.corbett@gloucestershire.gov.uk">neil.corbett@gloucestershire.gov.uk</a>
<b>Purpose of Report</b>	To approve the Schedule of Disposals proposed to meet the three year Meeting the Challenge 3 capital receipt target of £33m covering the period 2018/19 to 2020/21.
<b>Recommendations</b>	<p>In line with the Policy for the Disposal of Property:</p> <ol style="list-style-type: none"> <li>1. That Cabinet confirm that those sites described at Appendix A (Exempt) which have previously been declared surplus by Cabinet in October 2018 and not yet disposed of, continue to be declared surplus to requirements</li> <li>2. That Cabinet declare the sites listed on the proposed Schedule of Disposals Appendix B (Exempt) surplus to the Council's land and property requirements</li> </ol> <p>and in relation to both these schedules delegates authority to the Head of Property Services to dispose of these sites in consultation with the Cabinet Member for Finance and Change.</p>

<p><b>Reasons for recommendations</b></p>	<p>Through the approval of the Schedule of Disposals, and the declaration of these sites as surplus to requirements, Officers will be well placed to achieve best value for the Council in the disposal of these sites, thus contributing towards capital receipt targets.</p>
<p><b>Resource Implications</b></p>	<p>The disposal of these sites in accordance with the Policy will generate capital receipts for the Council.</p> <p>Asset Management and Property Services are working towards a capital receipt target of £33m towards Meeting the Challenge 3 savings.</p>

## **1. Background**

As part of Meeting the Challenge 3, Asset Management and Property Services (AMPS) are undertaking a challenging disposals programme by seeking to achieve £33m in capital receipts over a three year period, April 2018 to March 2021.

The programme has been developed across the organisation, led by AMPS in consultation with the Property Board who challenges the use of property across the council, in order to ensure the council's property portfolio is being effectively used to meet the future needs of the business. Property and land are recommended to Cabinet to be declared surplus prior to disposal to contribute towards the Meeting the Challenge programme.

A schedule of properties and sites was declared surplus by Cabinet in October 2018 and it was agreed that an update on these sales and any further sites which Property Board recommend should be declared surplus would be submitted to Cabinet early 2019. In line with Policy for the Disposal of Property the approval given by Cabinet is valid for 6 months therefore a new decision confirming approval to dispose must be given in order to progress activity in achieving these capital receipts.

## **2. Schedule of Disposals**

The attached Schedule of Disposals at Appendix A (Exempt) was approved by Cabinet in October 2018. In accordance with the Policy for the Disposal of Property, AMPS are now seeking confirmation of the decision to dispose of previously approved properties and sites that have not yet been sold. The schedule has been updated to show completed sales and sales agreed.

The attached Schedule of Disposals at Appendix B (Exempt) outlines new proposed disposals for 2019 onwards. The properties and sites listed have been recommended as surplus by service areas and AMPS to Property Board, and Officers from the Development and Disposals team within AMPS have recommended the most appropriate disposal strategy to deliver best value for the Council. Property Board have approved the recommended disposal strategies.

Officers will provide an updated schedule to Cabinet in late 2019, delivering an update on sales to date and any further sites which Property Board recommend should be declared surplus by Cabinet.

Capital receipts received and sales agreed to date for 2018/19 currently totals £7,978,267 with further sales being negotiated and a number of properties currently being marketed. Approval of the appended Schedules of Disposals will enable new properties to be programmed for disposal to help achieve capital receipt targets.

## **3. Options**

Cabinet are asked to confirm that the properties and sites described at Appendix A (Exempt) which have previously been declared surplus by Cabinet in October 2018 and not yet disposed of, continue to be surplus to requirements.

Cabinet are asked to declare all property and land sites on the Schedule of Disposals Appendix B (Exempt) as surplus to the Council's land and property requirements. Should Cabinet choose to identify any specific sites which they do not wish to declare surplus at this

point, Officers will remove them from the Schedule and return them to Cabinet for decision at a future date.

#### **4. Risk Assessment**

Should Cabinet elect to remove any specific site from the Schedule of Disposals, this could cause a delay in the disposal process for these specific sites – which could have an overall impact on the delivery of future capital receipts targets. The Council is best able to respond to the market and opportunities if sites are already declared surplus to requirements by Cabinet – enabling the achievement of best value. There is a significant risk that short delays in decision making can lead to long delays in the disposal.

#### **5. Officer Advice**

Officers recommend that Cabinet declare the sites listed on the proposed Schedule of Disposals surplus to the Council's land and property requirements, and delegates authority to the Head of Property Services to dispose of these sites in consultation with the Cabinet Member for Finance and Change.

#### **6. Equalities considerations**

In recommending sites as surplus to Council requirements, and in compiling the Schedule of Disposals Officers across the Council have sought to pay due regard to the impact on protected groups. Some sites on the Schedule are surplus to requirements due to changing plans for office accommodation used by the Council, and where these buildings are currently occupied by our employees, or those of our partners, the impact of the closure of the building and the relocation of their place of work will be taken into consideration. Information on the impact will be gathered through the collection of data concerning the individual members of staff who will need to be relocated. Where required, due regard will be paid to the needs of staff to ensure that any issues relating to the new workplace are considered (eg specific chair requirements, disabled parking spaces etc) in order to mitigate any negative impact. Where buildings have been providing a service those users have been catered for in other buildings.

#### **7. Consultation feedback**

Consultation has taken place with the Lead Cabinet Member, Property Board, service areas and other organisations where appropriate in the development of this Schedule of Disposals.

As each site is disposed of, the Development and Disposals team will do so in accordance with the Council's 'Policy for the Disposal of Property' which contains clear consultation requirements.

#### **8. Performance Management/Follow-up**

In accordance with the 'Policy for the Disposal of Property', Officers will provide an update to Cabinet late 2019 on the progress against the Schedule of Disposals and developing plans for future disposals. This will be monitored by the Property Board at regular meetings and by the Senior Management Team in AMPS.



<b>Report Title</b>	Schedule of Proposed Disposals
<b>Statutory Authority</b>	S.123 of the Local Government Act 1972
<b>Relevant County Council policy</b>	<a href="#">Policy for the Disposal of Property (2012)</a>
<b>Resource Implications</b>	<p>The disposal of these sites will generate capital receipts for the Council.</p> <p>Asset Management and Property Services are working towards a capital receipt target of £33m towards Meeting the Challenge 3 savings</p>
<b>Sustainability checklist:</b>	
Partnerships	Partnerships such as One Gloucestershire will be consulted with in accordance with the 'Policy for the Disposal of Property' 2012
Decision Making and Involvement	Where appropriate there will be local consultation on the disposal of sites
Economy and Employment	The disposal of sites may enable the development of employment opportunities through the potential future use of some sites
Caring for people	There may be some disposals which arise from changing practices in delivering care; these are managed by the service area who will also manage any impact
Built Environment	There may be some sites which are appropriate for development, which will follow all associated planning rules and processes, including consultation
Natural Environment' including Ecology (Biodiversity)	N/A
Education and Information	N/A
<b>Tackling Climate Change</b>	Carbon Emissions Implications? Neutral Vulnerable to climate change? No
<b>Due Regard Statement</b>	Has a Due Regard Statement been completed? No Considerations included in main body of report
<b>Human rights Implications</b>	N/A
<b>Consultation Arrangements</b>	Ongoing in relation to each disposal

