

Cabinet

Wednesday 15 September 2021

10:00

Oak Room, County Buildings, Stafford

NB. The meeting will be webcast live which can be viewed here -

<https://staffordshire.public-i.tv/core/portal/home>

John Tradewell
Director of Corporate Services
7 September 2021

A G E N D A

1. **Apologies**
2. **Declarations of Interest in accordance with Standing Order 16**
3. **Decision notice of the meeting held on 21 July 2021** (Pages 1 - 12)
4. **Leader's Update**

Oral report of the Leader of the Council
5. **Minutes of the meeting of the Property Sub-Committee held on 1 September 2021** (Pages 13 - 14)
6. **Update from Covid Member Led Local Outbreak Control Board** (Pages 15 - 16)
7. **Staffordshire Means Back to Business - Oral Update**

Deputy Leader and Cabinet Member for Economy and Skills
8. **Call-Off Contract for the Supply of ICT Equipment and Services** To Follow

Cabinet Member for Commercial Matters
9. **Developing Family Hubs in Staffordshire** (Pages 17 - 34)

Cabinet Member for Children and Young People
10. **High Needs Provision Capital Allocation Funding** (Pages 35 - 44)

Cabinet Member for Education (and SEND)

11. **Strategic Review of the Care Home Market in Staffordshire 2021** (Pages 45 - 72)
Cabinet Member for Health and Care
12. **Treasury Management Report for the Year Ended 31 March 2021** (Pages 73 - 92)
Cabinet Member for Finance and Resources
13. **Decisions taken by Cabinet Members under Delegated Powers** (Pages 93 - 94)
14. **Forward Plan of Key Decisions** (Pages 95 - 100)
15. **Exclusion of the Public**

The Chairman to move:-

“That the public be excluded from the meeting for the following items of business which involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A (as amended) of Local Government Act 1972 indicated below”.

PART TWO

(All reports in this section are exempt)

16. **Proposed 1FE Expansion at Oldfields Hall Middle School, Uttoxeter** To Follow
(Exclusion paragraph 3)
Cabinet Member for Education (and SEND)
17. **Transforming Stafford Town Centre - A Programme of Key Developments** (Pages 101 - 154)
(Exemption paragraph 3)
Deputy Leader and Cabinet Member for Economy and Skills

Membership

Alan White (Chairman)	Johnny McMahon
Mark Deaville	Victoria Wilson
Mark Sutton	Julia Jessel
Philip White	David Williams
Jonathan Price	Ian Parry
Charlotte Atkins	Simon Tagg

Note for Members of the Press and Public

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DECISION NOTICE

Cabinet Meeting - 21 July 2021

Present: Mark Deaville, Julia Jessel, Ian Parry, Jonathan Price, Mark Sutton, Simon Tagg, Alan White (Chairman), David Williams and Victoria Wilson.

Cabinet Support Member in attendance - Johnny McMahon

Also in attendance - Charlotte Atkins

Apologies for absence: Philip White

PART ONE

12. Decision notice of the meeting held on 16 June 2021

Decision – That the notes of the meeting held on 16 June 2021 be approved.

13. Leader's Update

Decision – That the oral report of the Leader of the Council giving an update on a range of issues including the lifting of Covid restrictions on 19 July being great news for people and businesses across Staffordshire; the increase in Covid cases in parts of Staffordshire and across the country; hospitalisations and deaths remaining low thanks to the vaccine programme; the need for people to take personal responsibility as fewer restrictions increases the risk of people catching the virus; the Council's plans to accelerate action on climate change; the continuing investment in the infrastructure Staffordshire people and businesses need to thrive; the recent media coverage of the National Football Centre at St George's Park near Burton; the return of the Staffordshire 70.3 Ironman on 18 July; and the Council's best wishes to all of our Staffordshire Olympians taking part in the Tokyo Olympics, including reigning 100m breaststroke champion Adam Peaty, boxer Frazer Clarke, canoeist Adam Burgess and triple jumper Ben Williams, be noted.

14. Minutes of the meeting of the Property Sub-Committee held on 7 July 2021

Decision – That the minutes of the meeting of the Property Sub-Committee held on 7 July 2021 be received.

15. Update from Covid Member Led Local Outbreak Control Board

Reasons for the Decision – To consider an update from the COVID-19 Member Led Local Outbreak Control Board including the number of new cases nationally and in Staffordshire continuing to rise steeply, and cases being particularly high in Tamworth, although the vaccination programme appeared to be successfully limiting the number of hospitalisations and deaths; The Government's announcement that Step 4 on the national roadmap would proceed from 19 July; the need for people to exercise personal responsibility and continue to take sensible precautions to limit the spread of infection; the Covid vaccination programme continuing to make excellent progress with nearly

1,200,000 doses administered to Staffordshire residents; uptake of two doses of the vaccine being close to 95% in over 65s, 80% in 50 to 64 year olds, but lower in younger adults; and the Council's plans to maintain Covid defences for at least the remainder of 2021/22.


Decision – That the report be received.


16. Staffordshire Means Back to Business - Oral Update

Decision – That the oral report of the Deputy Leader and Cabinet Member for Economy and Skills giving an update on “Staffordshire Means Back to Business” activity including the following matters be noted:

- The Universal Credit claimant count in Staffordshire seeing a decrease of 1,380 claimants between April and May 2021 to a total of 23,400 claimants (and the claimant rate declining to 4.4% of the working age population in May compared to 7.0% regionally and 6.1% nationally).
- Significant announcements for local businesses and wider economy including the growth of Stone Based Midlands 3D printing; up to 30 new jobs looking set to be created by Alpha Manufacturing; a start on site for the first phase Quintus employment land development at Branston Locks near Burton-upon-Trent; food company, Ornuia Ingredients investing £500,000 at its facility in Leek; and an 500 additional jobs across JCB's operations on top of the 850 announced earlier this year.
- Progress on the 60 acre i54 Western Extension site where the physical works to create development platforms for end users to be substantially completed by the end of July.

17. Intensive Support for Staffordshire Children with Disabilities

	<p>“Whilst we know that families value the support they receive, we aspire to improve it further and make it easier to receive this as early as possible. This not only helps prepare these young people for when they move into adulthood but helps reduce the long-term demand on services”.</p> <p>Mark Sutton, Cabinet Member for Children and Young People</p> <p>“This proposal builds on work implemented since 2018 to develop choice, quality and value for money in the provision of support for children with disabilities. The current framework has continued to meet the needs of this group of children and young people, despite an increase in demand over that period.</p>
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	<p>The key here is to redouble our efforts to ensure parents understand what support is available without a formal Social Care assessment, to allow them to continue to care for their children in a way which is sustainable for them and remains affordable for the local authority in the medium to long term”.</p> <p>Jonathan Price, Cabinet Member for Education (and SEND)</p>
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Reasons for the Decision – To consider proposals to bring together the commissioning of the previously separate arrangements for Children with Disabilities’ Community Support and Aiming High 1-1 intensive support and short breaks into one contracting arrangement.


Decision – (a) That the commissioning of the previously separate arrangements for Children With Disabilities’ Community Support and Aiming High 1-1 intensive support and short breaks be brought together into one contracting arrangement, to achieve a more seamless and flexible system of support for eligible children, and one that is administratively more efficient for SCC to manage;

(b) That the open tender approach and implementation of a Flexible Framework (including delegated approval to relevant officers to award contracts) detailed in the costed Options Appraisal to secure the required provision at optimal Value for Money commencing from April 1st 2022, be supported;

(c) That the regular break clauses in the proposed contracts (2+1+1 years), which will allow time to develop joint approaches to the commissioning and procurement of this provision with Adult Social Care colleagues and other Authorities including with other West Midlands Authorities to attempt to overcome the current challenges for providers (and especially new entrants) with respect to service volumes, be noted; and

(d) That the first two years of the new contract be used to further investigate the merits and risks associated with In-house delivery of this support, and the efficacy of this model within the proposed new Children’s System, as the Options Appraisal demonstrated a number of potential strengths to this approach.

18. Future Delivery of Replacement Care Services in Staffordshire (Learning Disabilities)


	<p>“The Covid-19 pandemic has meant we have had to look at different ways of offering our services to adults with a learning disability. It has given us the chance to ensure our service users and their carers can get the services they need by embracing new ways of delivering services within people’s own homes without having to rely on building-based provision.</p> <p>We now have the opportunity to examine our services and explore the options open to us to ensure our service users</p>
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	<p>and their carers can continue to access the services they need post-pandemic in a way that helps people to lead full and independent lives for as long as possible”.</p> <p>Julia Jessel, Cabinet Member for Health and Care</p>
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Reasons for the Decision – To consider granting approval for an options appraisal for the future provision of replacement care for people with learning disabilities in Staffordshire.

Decision – That the commencement of an options appraisal for the future provision of replacement care for people with learning disabilities in Staffordshire, including engagement with service users, carers and stakeholders, be endorsed and the results be presented to Cabinet in the third quarter of 2021.

19. Child Exploitation and Missing Children & Young People Service

	<p>“Protecting children from exploitation is, and always will be, a priority for this authority. As the forms of exploitation evolve, so our response and preventative work change too and the newly commissioned service will provide a layered approach to support children and their families, which will aim to intervene and improve situations at an early stage.”</p> <p>Mark Sutton, Cabinet Member for Children and Young People.</p>
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Reasons for the Decision – To consider the commissioning intentions of Staffordshire County Council, Stoke-on-Trent City Council and the Staffordshire Police, Fire & Crime Commissioner in relation to the development of a Pan-Staffordshire Child Exploitation and Missing Children & Young People’s Service.

Decision – (a) That the commissioning intentions of Staffordshire County Council, Stoke-on-Trent City Council and the Staffordshire Police, Fire & Crime Commissioner Office in relation to the development of a Pan-Staffordshire Child Exploitation and Missing Children & Young People’s Service, be endorsed.

(b) That the procurement of a Pan-Staffordshire Child Exploitation and Missing Children & Young People’s Service by Staffordshire County Council, on behalf of Stoke-on-Trent City Council and the Staffordshire Police, Fire & Crime Commissioner, be approved.

(c) That decisions in relation to the Pan-Staffordshire Child Exploitation and Missing Children & Young People’s Service be delegated to the Cabinet Member for Children and Young People in consultation with the Deputy Chief Executive and Director for Families and Communities.

(d) That it be acknowledged that the delegation to the Cabinet Member for Children and Young People includes acting on behalf of the County Council to finalise the Joint Commissioning Deed of Agreement and the entering of required contractual arrangements with the successful bidder.

20. Public Health Contracting Plans



“The Council commissions services that improve people’s lives, often at moments of great individual stress. We place great emphasis on providing the best possible support while securing value for money for taxpayers. This decision will allow us to maintain our work promoting good sexual health and supporting those with alcohol and drug dependencies, while offering a range of healthy living advice to people including giving up smoking, preventing diabetes and staying active later in life.”

Julia Jessel, Cabinet Member for Health and Care.



“The commissioning plans build on our commitment to work with partners in the NHS, as well as the wider public and third sectors in order to achieve the best possible outcomes for Staffordshire residents and ensure that public money is used efficiently and effectively. I look forward to seeing improved services and vaccination programmes in the coming years.”



Johnny McMahon, Cabinet Support Member for Public Health and Integrated care.

Reasons for the Decision – To consider the forthcoming commissioning plans for Public Health services and to seek approval to delegate the authority to award and authorise entering into contracts to the Cabinet Member for Health and Care in consultation with the Cabinet Support Member for Public Health and Integrated Care and the Director for Health and Care.

Decision – (a) That the forthcoming plans for sexual health, drug and alcohol and lifestyle services as detailed in the report be noted; and

(b) That authority to award and enter into relevant contracts for the services detailed in the report in the financial years 2021/22 and 2022/23 be delegated to the Cabinet Member for Health and Care in consultation with the Cabinet Support Member for Public Health and Integrated Care and the Director for Health and Care.

21. Recommission of Staffordshire Integrated Advocacy Service


	<p>“The availability of a professional advocacy service is essential to provide support and a voice to those who, for a variety of reasons, may not otherwise be able to fully express what they want. Every year this service supports hundreds of people across the county to take more control of how they live their lives.”</p> <p>Julia Jessel, Cabinet Member for Health and Care.</p>
	<p>“Dealing with the authorities and institutions can be a daunting experience for any of us, let alone potentially vulnerable children and young people who need support at a key stage in their lives. The recommissioning of the Staffordshire Integrated Advocacy Service will provide the continuation of effective, focused help for those who need it most.”</p> <p>Mark Sutton, Cabinet member for Children and Young People</p>

Reasons for the Decision – To consider the options available for the procurement of Advocacy services.

Decision – (a) That the commencement of a competitive tender process to procure the commissioned service in accordance with Option A (recommission of an equivalent Integrated Advocacy service model), as detailed in this report, be approved.

(b) That approval for the contract to be awarded and entered in to with the successful provider, following the competitive tender process, be delegated to the Director for Health and Care and the Deputy Chief Executive and Director for Families and Communities.

22. UK Community Renewal Fund - Priority Projects

	<p>“It is a priority to the county council to reinvigorate our communities and businesses through investment, skills development, job creation and regeneration. The UK Community Renewal Fund could be another lever to support our continued drive to deliver this for the people of Staffordshire. We have received strong project applications and prioritised a selection to go forward for consideration by the Government. We’re confident these will make a real difference to communities and businesses and look forward to seeing successful bids beginning later this summer.”</p>
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	Philip White, Deputy Leader of the Council and Cabinet Member for Economy and Skills
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Reasons for the Decision – To consider proposals for the County Council to take on the additional role of Accountable Body for the UK Community Renewal Fund (UKCRF).


Decision – (a) That it be agreed that Staffordshire County Council (the “Council”) continues its role as Lead Authority for the UK Community Renewal Fund (UKCRF) and moves to the additional role of Accountable Body for the UKCRF;

(b) That it be agreed that the Director of Economy, Infrastructure & Skills be given delegated authority to:

- (i) authorise the Council to enter into an agreement (Accountable Body Agreement) with the Ministry of Housing, Communities and Local Government (MHCLG) formalising the Council’s role as Lead Authority and Accountable Body for the UKCRF.
- (ii) authorise the Council to enter into an individual grant funding agreement (Grant Agreement) with each of the successful providers

(if applicable) authorise any formal variations or extensions required to the Accountable Body Agreement or to the individual Grant Agreements based on performance or changes in UKCRF Guidance.

23. Waste Management - Retender for the Disposal of Sweepings and Gully Waste

	<p>“As a county council, we are committed to caring for our environment and how we manage waste goes hand in hand with this.</p> <p>This procurement exercise will allow us to explore all the options for managing waste from our roads and get the best deal for taxpayers’ money.”</p> <p>Simon Tagg, Cabinet Member for Environment, Infrastructure and Climate Change</p>
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Reasons for the Decision – To consider proposals to provide treatment facilities for sweepings (street cleaning residues) collected by Staffordshire Waste Collection Authorities (WCAs) and gully waste collected by Amey LG (Amey) on behalf of the County Council.

Decision – That authority be delegated to the Director for Economy, Infrastructure and Skills, in consultation with the Cabinet Member for Environment, Infrastructure and Climate Change, to let a contract (or contracts) between the County Council and the successful tenderer (or tenderers) in the event that a combination of service providers provides the optimum solution.

24. Integrated Performance Report - Quarter 1 2021/22



“Our focus remains firmly on tackling Covid-19 and doing what is needed to control the spread of the virus and protect the most vulnerable. Work to manage outbreaks is ongoing as is work dealing with the immediate economic and social consequences of the last eighteen months.

Throughout the pandemic we have supported those who need us most, including the care sector, vulnerable families and local businesses. Our COVID-19 Local Outbreak Control Plan continues to help manage local outbreaks. The emergence of the Delta variant remains a concern and recent outbreaks show just how quickly the virus can spread through our communities. Teams have also delivered targeted testing facilities across the county and continue to provide support to the NHS vaccination programme.

In other council business, we continue to provide support for vulnerable adults and children and with this, we still need longer-term help from the Government for funding adult social care and children’s and family services. We continue to lobby Government for a long-term sustainable solution to this as well as more clarity on future settlement grants and funding opportunities.

The government have also confirmed an additional £5.7m funding increase for the upkeep of Staffordshire County Council maintained schools which is welcome news. A new source of funding to provide more specialist places and improve provision for SEND pupils has also been confirmed.

We continue to provide advice and support for businesses, as we work to get our economy back on track. We have plans in place to ensure we bounce back stronger and generate new opportunities for better jobs, improved lives, and a greener county for everyone.”

Alan White, Leader of the Council



“Coping with the Covid-19 pandemic continues to put extra pressures on our finances, but we continue to manage them effectively and are doing what is needed and spending what is required.


We have had additional funds and grants from Government which have been used to help support the additional pressures of continuing to provide vital services

	<p>while protecting our residents. All council departments continue to deliver against their recovery priorities, whilst progressing with activities in the organisation's Delivery Plan. The latest revenue forecast outturn shows a forecast saving of £8.119m (1.5%).</p> <p>We will continue to keep our finances in as strong a position as possible and to ensure that we provide good value for money for local tax-payers. Well managed finances also mean we can invest in our future and grow our economy post pandemic.”</p> <p>Ian Parry, Cabinet Member for Finance and Resources</p>
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Reasons for the Decision – To consider an overview of Staffordshire County Council's progress, performance and financial position in delivering against its Strategic Plan and Delivery Plan.

Decision – That the report be received.

25. Framework Agreement for the Provision of Asbestos Removal and Encapsulation Services

	<p>“As a county council we are committed to getting the best services delivered at the best value for Staffordshire taxpayers.</p> <p>The procurement of a framework agreement will give us both flexibility and rigour for the removal of asbestos when needed.”</p> <p>Mark Deaville, Cabinet Member for Commercial Matters</p>
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Reasons for the Decision – To consider proposals for a new Framework Agreement for the Provision of Asbestos Removal and Encapsulation Services.

Decision – (a) That Staffordshire County Council (the “Council”) concludes its regulated procurement in line with the Public Contract Regulations 2015 (the “Regulations”) for the Framework Agreement;

(b) That, following the procurement process, the successful suppliers be appointed to the Framework Agreement for the period 1st March 2022 to 28th February 2024 and that, dependent on the quality of their delivery, the 24-month service extension be implemented to a final contract end date of 28th February 2026; and

(c) That the Director of Corporate Services be given delegated authority to:

- (i) Approve the initial awards of the tendered suppliers to the Framework Agreement and authorise the Council entering into the Framework Agreement with successful suppliers;

- (ii) Approve all subsequent call-off contracts under this Framework Agreement and authorise the Council entering into any call-off contracts with suppliers under the Framework Agreement; and
- (iii) (if applicable) approve the 2-year extension to the Framework Agreement in its 2nd year.

26. Decisions taken by Cabinet Members under Delegated Powers

Decision – That the following decisions taken by Cabinet Members under delegated powers be noted:

Cabinet Member	Decision
Cabinet Member for Highways and Transport	In approving the 2021 version of the Local Cycling and Walking Infrastructure Plan (LCWIP) for publication on Staffordshire County Council's website.
Cabinet Member for Health and Care	In approving: <ul style="list-style-type: none"> (i) That Disabled Facilities Grant funding from the Ministry of Housing, Communities and Local Government (MHCLG) is transferred to the District and Borough Councils as required by the MHCLG. (ii) That the County Council enters into legal agreements with the relevant District and Borough Councils to cover transfer of funding and to ensure that it is used in line with Disabled Facilities Grant conditions. (iii) That delegated authority is given to the Director of Health and Care, to approve the transfer of Disabled Facilities Grant monies to the District and Borough Councils in future years, whilst the current arrangements and grant conditions persist.
Deputy Leader and Cabinet Member for Economy and Skills	In approving Staffordshire County Council's Community Learning funding allocation and distribution 2021 to 2022.

27. Forward Plan of Key Decisions

The Forward Plan of Key Decisions for the period 18 August to 1 December 2021, which detailed the following issues, was approved:

Subject Matter	Contact
Treasury Management Outturn Report 2020/21	Name: Rob Salmon Tel: (01785) 276354
Proposed 1FE Expansion at Oldfields Hall Middle School, Uttoxeter	Name: Tim Moss Tel: (01785) 277963
Recommissioning of Care Home Services	Name: Helen Trousdale Tel: (01785) 277008

Developing Family Hubs in Staffordshire	Name: Natasha Moody Tel: 07976 191079
Impact of COVID-19 on SCC Communities, Economy and Organisation and Recovery Progress - Update September 2021 and Way Forward	Name: Janene Cox Tel: (01785) 278368
Entrust Service Delivery Agreement	Name: Ian Turner Tel: (01785) 277228
Household Waste Recycling Centre Update	Name: Clive Tompson Tel: (01785) 276522
Integrated Performance Report - Quarter 2 2021/22	Name: Kerry Dove/ Rob Salmon Tel: (01785) 276354
Treasury Management Half Yearly Report 2021/22	Name: Rob Salmon Tel: (01785) 276354

28. Exclusion of the Public

Decision – That the public be excluded from the meeting for the following items of business which involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A (as amended) of Local Government Act 1972 indicated below.

PART TWO

29. Proposed Sale of Former Burntwood Children's Services Office and Oakdene Day Centre, Sycamore Road, Burntwood (Exemption paragraph 3)

Reasons for the Decision – To consider the sale of the former Burntwood Children's Services Office and Oakdene Day Centre, Sycamore Road, Burntwood.

Decision – That the recommendations contained in the report be agreed.

Alan White
Leader of the Council

Minutes of the Property Sub-Committee Meeting held on 1 September 2021

Present: Alan White (Chairman)

Mark Deaville
Jonathan Price

Philip White (Vice-Chairman)

Apologies: Ian Parry

PART ONE

24. Declarations of Interest

There were no Declarations of Interest on this occasion.

25. Minutes of the Meeting held on 4 August 2021

RESOLVED – That the minutes of the meeting held on 4 August 2021 be confirmed and signed by the Chairman

26. Chadsmoor C of E V C Junior School, 18A Burns St, Cannock WS11 6DR - Proposed Transfer of Freehold Interest

Details were submitted for the proposed Transfer of the freehold interest in Chadsmoor C of E VC required under the Schools Standards and Framework Act 1988 as amended by the Education and Inspections Act 2006 to the Trustees of the school

RESOLVED – That approval be given for the Transfer of the of the freehold interest in Chadsmoor C of E VC to the Trustees of the school.

27. Land at Shobnall Road, Burton upon Trent - Proposed Lease

Details were submitted for the proposed Lease of land at Shobnall Road, Burton upon Trent to Equal Support Opportunities (ESO) for a 99-year period.

RESOLVED – That approval be given for a long-term lease of land at Shobnall Road for 99 years with Equal Support Opportunities (ESO); and that delegated authority be granted to the Assistant Director for Commercial and Assets to implement this decision.

28. Exclusion of the Public

RESOLVED - That the public be excluded from the meeting for the following items of business which involve the likely disclosure of exempt information as defined in the paragraph of Part 1 of Schedule 12A of the Local Government Act, 1972.

29. Burntwood Youth Centre, Cherry Close, Burntwood, WS7 4RJ - Proposed Lease renewal - Exemption paragraph 3 - Report to follow

Item deferred.

Chairman

Local Members Interest
N/A

Cabinet - Wednesday 15 September 2021

Update from Covid Member Led Local Outbreak Control Board

Introduction

1. The number of new cases of Covid nationally and in Staffordshire rose during August 2021 and continues at high levels. Vaccination is limiting the number of hospitalisations and deaths from Covid. However, the NHS and social care are experiencing considerable pressure from Covid and other conditions.
2. This highlights that the virus does still pose a threat. People should exercise personal responsibility and continue to take sensible precautions to prevent the spread of infection. This means maintaining good hygiene, keeping a respectful distance, and wearing face coverings in crowded indoor places, as well as testing twice weekly. If pressure on the NHS worsens, we face the risk that the Government reimposes restrictions on our lives and livelihoods.

Covid vaccination

3. The Covid vaccination programme continues to make progress. More than 1.3 million doses have now been administered, and more than 80% of adults have now received two doses. The focus at the moment is on vaccinating younger adults and 12-17 year olds. The Government is expected to announce a booster campaign for older adults as well as vaccination of 12-15 year olds.

Local Outbreak Management Plan

4. The Council will maintain Covid defences for at least the remainder of 2021/22. This includes testing and contact tracing, as well as managing outbreaks and supporting the most vulnerable. These arrangements are set out in our Covid Local Outbreak Management Plan. This will be updated in line with emerging Government policy.

List of Background Documents/Appendices:

[Staffordshire Covid Local Outbreak Management Plan](#)

Contact Details

Report Author: Dr Richard Harling
Job Title: Director for Health and Care
Telephone No.: 01785 278700
E-Mail Address: richard.harling@staffordshire.gov.uk

Cabinet Meeting on Wednesday 15 September 2021

Developing Family Hubs in Staffordshire



Cllr Mark Sutton, Cabinet Member for Children and Young People said,

“In recent years this County Council has devoted a great deal of effort to providing help and support for families how and where they wanted it, rather than imposing a universal approach.

Now, working together with other organisations, this next development will offer a more streamlined approach for families seeking a little help and advice.

It will provide them with the support they need for children to have more opportunity in life, helped by their friends, families and communities.”

Report Summary:

This report provides Cabinet with the vision for the development of Family Hubs in Staffordshire. It demonstrates how our ambitions for Family Hubs will contribute to the delivery of the Families Strategic Partnership’s Children, Young People & Families Strategy, the Early Help Strategy and be at the heart of the Place Based Approach for Children and Families.

Family Support is an integral element of the Family Hub Model, ensuring that families receive early support to prevent needs from escalating. This report also provides Cabinet with details of the proposed re-commissioning of a Family Support Service and Outreach Service as the current contract ends on 31st March 2022.

We are seeking the support of Cabinet to enter a period of formal public consultation to develop our Children’s Centres into Family Hubs and work with families and partners to develop Staffordshire’s future offer.

Recommendations

I recommend that Cabinet:

- a. Endorses the strategic vision for the development of Family Hubs across Staffordshire, approving a period of public consultation and engagement in respect of the redesignation of Children’s Centres as Family Hubs.
- b. Subject to public consultation, endorses the design and subsequent phased implementation of Family Hubs across Staffordshire as an integrated model of working, whilst acknowledging the future commissioning intentions in relation to the Family Support and Outreach Service and the Early Years Coordination Service (Children’s Centres).

- c. Approves the procurement of a Family Support and Outreach Service, delegating decisions, including acting on behalf of Staffordshire County Council (the County Council) to enter the required contractual arrangements, to the Deputy Chief Executive and Director for Families and Communities in consultation with the Cabinet Member for Children and Young People.
- d. Delegates authority to make decisions in relation to the development of Family Hubs in Staffordshire, including future decisions in relation to the Early Years Coordination Service, to the Cabinet Member for Children and Young People in consultation with the Deputy Chief Executive and Director for Families and Communities.

Local Members Interest
N/A

Cabinet – Wednesday 15 September 2021

Developing Family Hubs in Staffordshire

Recommendations of the Cabinet Member for Children and Young People

I recommend that Cabinet:

- a. Endorses the strategic vision for the development of Family Hubs across Staffordshire, approving a period of public consultation and engagement in respect of the redesignation of Children’s Centres as Family Hubs.
- b. Subject to public consultation, endorses the design and subsequent phased implementation of Family Hubs across Staffordshire as an integrated model of working, whilst acknowledging the future commissioning intentions in relation to the Family Support and Outreach Service and the Early Years Coordination Service (Children’s Centres).
- c. Approves the procurement of a Family Support and Outreach Service, delegating decisions, including acting on behalf of Staffordshire County Council (the County Council) to enter the required contractual arrangements, to the Deputy Chief Executive and Director for Families and Communities in consultation with the Cabinet Member for Children and Young People.
- d. Delegates authority to make decisions in relation to the development of Family Hubs in Staffordshire, including future decisions in relation to the Early Years Coordination Service, to the Cabinet Member for Children and Young People in consultation with the Deputy Chief Executive and Director for Families and Communities.

Report of the Deputy Chief Executive and Director for Families and Communities

Introduction:

1. Staffordshire is a great place to live. Most children are happy, safe and have loving homes, but there are some families who face challenges that mean they cannot thrive in the way they want to.
2. At all stages in their lives we want Staffordshire’s families to lead their best life possible. We have a clear vision where: “Families and communities have the strength, skills and knowledge they need to ensure their children and young people are healthy, happy, safe and achieve their potential.” We want to see children, young people and families who are supported to:
 - a. Start Well: every child has the best possible start in life to reduce differences in the quality of their health and wellbeing in the future.

- b. Grow Well: children and young people are supported to reach their potential so that they can have greater control over their lives.
 - c. Live Well: children, young people and adults are supported to make good lifestyle choices.
3. Evidence shows that a child's experiences from conception to five plays a critical role in their development, and that the early years represent an opportunity for families to benefit longer term. We know that measurable gaps in outcomes between disadvantaged and vulnerable children and their peers can emerge early before children are two years of age and these are difficult and costly to close.
 4. The evidence is clear that a child's parent is their primary educator, but some parents need help to develop the home environment and parent to child relationships. This can impact on a child's early development and there is a strong financial case for providing Early Help at this age to prevent later more costly support.
 5. Some families need extra help and support to enable them to be independent longer term, but children, young people and families have said they don't want to be in systems. They want to be supported by people they trust, their friends and families, their community to resolve the day-to-day challenges they face.
 6. Families also tell us that it can be challenging to navigate their way around the help and support available. They can find themselves 're-telling their story'. This can sometimes prevent children and families getting the right information, advice, guidance and help at the right time.
 7. While the pandemic provides a challenging backdrop, it has also sharpened awareness of how some disadvantaged and vulnerable families risk being left behind and has encouraged local agencies to explore greater integration and enhanced partnership working which we plan to build on. It also provides an opportunity to take a different approach to intervening to prevent later demand.
 8. Supporting families is not about 'doing it for them'. It's about enabling families to find their own solutions to challenges and to give them the tools they need to continue with the positive changes they make. We want to encourage families and communities to make use of the support they have around them, help each other and be able to tackle problems using the strengths they have.
 9. To support our strategic ambitions for children, young people and families, the County Council is seeking to work together with families and partners across the statutory, private, community and voluntary sectors to develop Family Hubs, which ensure families, with children aged 0-19 and those up to 25 with a disability, have access to the right help, at the right time.
 10. The Family Hubs are a government commitment to help families access and navigate services and receive a joined-up, holistic experience where they don't have to constantly re-tell their story. The development of Family Hubs will involve

active partnerships across the statutory, private, community and voluntary sectors in Staffordshire.

National Context:

11. There has been much research which has highlighted the significance of the period from conception to age two, outlining the need for action to improve support for families during this period and beyond. A list of relevant research documents can be found in **Appendix 1**.
12. The Government's 2019 Manifesto pledged to champion Family Hubs across England. In December 2020 the Minister for Children, Vicky Ford, set out plans to create a National Centre of Excellence for Family Hubs, funded by the Department for Education (DfE).
13. A further announcement was made in May 2021, by the Education Secretary, to announce that the Anna Freud Centre will facilitate the National Centre of Excellence, whose role is to be a champion for Family Hubs, spreading best practice and evidence on integrated family service models and work with areas to help them set up and deliver world-leading models of support for families from conception to nineteen.
14. In August 2021, the DfE set out plans to elevate its Family Hubs programme, backed by £20m of new funding, that will support councils to set up new Family Hubs across England. The County Council is awaiting opportunities to seek to benefit from this funding.
15. The vision set out by the Minister for Children has been further endorsed by the Department of Health and Social Care's (DHSC) Early Years Healthy Development Review, which recommended the nationwide development of Family Hubs. This vision endorsed the development of Family Hubs to be welcoming, family-focused centres for every new family during pregnancy and beyond.
16. The DfE and the DHSC are seeking for Family Hubs, through integrated models of delivery, to improve access, the range and quality of services, activities and provisions across the statutory, private, community and voluntary sectors to give families the best start in life by providing the right support, at the right time. Family Hubs will work together with families from the early years of children's lives and in the years following, by improving families' access to vital services, provisions and activities.
17. Effective integrated working along with Early Help can improve children's wellbeing, educational attainment and life chances, reduce family poverty, improve mental health and lead to lower crime, unemployment and other negative outcomes which carry significant cost to the public purse. The integrated Family Hub model enables easier access to support, better outcomes for families, more effective service delivery and smarter use of budgets.

Local Context:

18. There are circa 168,935 children and young people aged 0-19 years across Staffordshire, an area which spans 1,010 square miles. Children, families and communities already benefit from a range of services, provisions and activities offered across the statutory, private, community and voluntary sectors in the county. We have an existing network of Children's Centres; a universal digital reach via Staffordshire Connects and a broad portfolio of commissioned and in-house services which offer information, advice, guidance and support to families.
19. Staffordshire has a well-developed existing network of Children's Centres which currently focus provision on the Early Years. This network of Children's Centres, operated through the Early Years Coordination Service, seeks to deliver a seamless integrated service within communities in relation to the Early Years. The delivery of Staffordshire's Children's Centres is underpinned by the Children Centre Statutory Guidance.
20. The statutory guidance states that Local Authorities are required to consult with families if they plan to make changes to the delivery of the Children's Centre Services. As such we are seeking support to engage in a period of consultation with families to develop the Children's Centre's into Family Hubs with a broader age remit and offer of holistic placed based support working with partners.
21. The Family Hubs will be a core component of our Place Based Approach. This approach seeks to ensure that families can access the right support, at the right time, within their local communities, increasing families' resilience and preventing needs from escalating.
22. Family Hubs build upon our existing offer, providing both a virtual and a physical space seeking to support our ambitions by creating, as far as possible, a seamless integrated service within communities, where families need to tell their story only once and can then access joined-up support, as part of a holistic offer, which helps to address their needs early.
23. We have a strong base upon which to build a robust and effective Family Hub delivery model, which will make it easier for families to access the help they need and avoid them struggling to navigate complex delivery structures.
24. We are committed to investing in and working together to deliver effective early help for families, as outlined in our Early Help Strategy. Our ambition for Family Hubs supports this commitment. The Building Resilient Families and Communities (BRFC) programme is Staffordshire's response to the Government's Supporting Families initiative (previously known as Troubled Families). A key driver of the programme is to develop and transform the approach to early help. BRFC is delivered through locality-based partnership working, takes a whole-family approach, focusses on early intervention and prevention and aims to build lasting, sustainable resilience in families and communities.

Strategic Vision for Development of Family Hubs

25. We are seeking to ensure “Across Staffordshire, families access seamless support through Local Multi-Agency Family Hubs, empowering them to grow local networks of support to develop the strength, skills and knowledge they need to ensure they are healthy, happy, safe and achieve their potential.”
26. Our Family Hubs will build upon and develop from the existing strong base of provision which we have in Staffordshire. We will work with partners to seek opportunities to bring services together and align the support offers that are available, so that families have access to the help they need, when they need it, in the communities where they live.
27. It is anticipated that the development of Family Hubs will build upon Children’s Centres, which want to coproduce this with families to create a sustainable model for the future.
28. We aim to develop a Staffordshire Family Hub model which brings together a range of provision into a coherent, connected, and accessible offer to families around a local place. This will:
 - a. Support families to achieve and maintain positive outcomes and seek to prevent needs from escalating firstly through effective information, advice and guidance.
 - b. Place a focus on early help and prevention with the communities of Staffordshire.
 - c. Take a whole-family approach and is available to families with children aged 0-19 (and up to 25 for those with SEND), providing services for the all, the some and the few; and
 - d. Have a physical presence within a community as well as an online offer and maximises the use of existing resources within a locality, as part of our Place Based Approach.
29. Through the development of the Family Hub Model, we are seeking to build upon the Early Help Systems Guide, developed by the Ministry of Housing, Communities and Local Government (MHCLG). The Guide has been developed to support the ambitions of the Supporting Families programme, which aims to transform the early help system. Locally, we use the Guide to inform the ongoing development of the BRFC programme and to shape our approach to early help.
30. The Guide outlines MHCLG’s vision for the early help landscape and has been informed by over ten years’ work in delivering the national Supporting Families programme. This work has evidenced several factors which contribute towards delivering improved outcomes and preventing problems from getting worse. Within the Early Help System Guide these are scoped across four domains: Families, Communities, Leaders and Workforce. The Early Help System model is outlined in the diagram in **Appendix 2**.

Future Commissioning Intentions

Family Support and Outreach Service

31. The Family Support Service delivers whole-family early help support. As a key component of our early help offer, it joins up services around the family to tackle root causes. Family Support works alongside families to support positive outcomes. It focuses on growing the family's ability to self-manage within their own community, so that they know where to turn to in times of difficulty. The commissioned Family Support services make a significant contribution to our achievement of the targets set for us by MHCLG in relation to the BRFC programme.
32. The Family Support Service was commissioned on a countywide basis, but with a locality footprint. In line with the Place Based Approach, commissioners worked with partners to develop the community and voluntary sector market in localities. This resulted in six (6) local VCSE organisations being commissioned to deliver the service across the county, with each District having a local offer, but with consistency in quality across the County.
33. The current investment into the Family Support Service contract is circa £2 million per annum. This includes a County Council investment of £700,000 and external funding from BRFC which is subject to MHCLG's continuation of the Supporting Families Programme.
34. We performance manage service delivery and monitor demand for the service. The current service is delivering positive outcomes for families. Over the last financial year (20 / 21), the service has supported over 1,400 families and contributed to the achievement of our MHCLG targets. Our monitoring indicates that there continues to be a need for this service provision across the county, as referrals from a range of sources e.g. schools, social workers etc. continues to be high.
35. The existing commissioned Family Support contract comes to an end in March 2022, with no option to extend within procurement regulations. Therefore, Commissioners have consulted with partners to develop a service specification to ensure that we continue to support families across Staffordshire and that there is no gap in provision. This specification aims to commission a new contract at £1.8 million per year for a maximum of 5 years.
36. The specification contains three core elements for a Family Support and Outreach Service:
 - a. Referral-Based Family Support – offering early help to families to prevent needs from escalating and equipping the family with the skills needed to achieve and sustain positive outcomes.
 - b. Targeted Outreach Visits – focused on those families with young children who may benefit from information, advice, guidance and signposting into local community resources and assets (e.g. accessing their childcare entitlement).
 - c. Support to access Community Support, Groups and Universal Offers – offering practical hands-on support to enable families who would not normally access

group offers, to help them engage with available resources and support within their community.

37. The specification allows for flexibility in provision and methods of delivery, so that the service can be adapted to align with the emerging Family Hub model. The overarching aim of all elements of the service is to support the family to develop the resilience needed to manage future challenges. This will result in families being independent and in future only needing to access support within their own network and local community.
38. We have funding allocated within the current BRFC budget to pay for this contract to 2022/23. However, we anticipate that external funding will be required if we are to meet demand beyond 2022/23. The continuation of additional BRFC funding to cover beyond 2022/23 will be subject to an MHCLG decision. In addition to BRFC funding, a contribution will be made from the Resettlement Integration and Independence Support Grant. We will continue to work with partners to explore other contributions, as it is a service that contributes to a range of outcomes.

Children's Centres and the Early Years Coordination Service:

39. The core purpose of Children's Centres is to improve outcomes for young children and their families and reduce inequalities between families in greatest need and their peers in:
 - a. Child development and school readiness.
 - b. Parenting aspirations and parenting skills.
 - c. Child and family health and life chances.
40. Children's Centres have adopted a model of working which enables integrated working around the family through greater collaboration across a partnership to meet the needs of families and their young children more effectively. Children's Centre delivery is closely aligned with a range of key priorities, programmes and services, including Children's Public Health and the Building Resilient Families and Communities Programme (BRFC).
41. In Staffordshire, we have worked hard to deliver this model of working and there have been significant improvements most notably:
 - a. Prior to COVID-19, more families in Staffordshire were accessing Children's Centres and the services available both from the Centre, within the community and in the family home than ever before.
 - b. Governance has improved significantly and now offers support and challenge to deliver more effective outcomes for families locally, through a multi-agency approach.
 - c. More than 319 volunteers have been recruited and support the Centre's through the delivery of administration support, community communicators, administration support, data collection, caretaking, event planning and marketing. Two have

been recognised this year for their contribution as volunteers through Support Staffordshire Volunteer Awards.

- d. The Good Level of Development in Staffordshire continues to rise and is above the national average where the majority of children are now starting school ready to learn. However, one in four children start school behind their peers and the evidence suggests that they never catch up.
42. The Children's Commissioner (2020) noted that the Evaluation of Children's Centres in England study found that using Children's Centres had a beneficial effect on parent/carer-child relationships, parental stress and the home learning environment. Considering this, Staffordshire's Children's Centres, through its integrated approach, play a fundamental role in a child's development because of the focus on the most disadvantaged families. This makes a vital contribution to the reduction of inequalities in; child development and school readiness, supported by improving parenting, aspiration, self-esteem, parenting skills, child and family health and life chances.
43. Whilst it is anticipated that Children's Centres will form the foundation of the emerging Family Hub Model, the staffing model that is in place will need to be further developed to support the evolving role of the Family Hub.
44. The management of Children's Centres is currently facilitated through a commissioned Early Years Coordination Service working together with the Internal Children and Families Business Support Service (Children's Centres).
45. Before April 2022, it is therefore proposed to work together with key stakeholders to undertake a review of the Early Years Coordination Service and the Internal Children and Families Business Support Service (in connection to Children's Centres) to develop a model which ensures the continued delivery of the Children's Centre Core Offer, whilst developing an integrated infrastructure for the emerging Family Hub. Subject to Cabinet approval, this review will be subject to formal consultation.
46. We will develop a full options appraisal for the core staffing structure which will deliver the Family Hub aspirations. This will explore all available options to the County Council, including an internal and commissioned model of delivery.

Proposed Phased Development of the Family Hub Model

47. The National Centre of Excellence for Family Hubs will continue to develop and the model in Staffordshire will evolve over time in line with this work. This will allow us to consider emerging best practice and the growing evidence base.
48. While this work is progressing, there are short to medium-term priorities which we will need to progress. This will result in a phased approach to the development of the Family Hub model.
49. The first phase will involve recommissioning the Family Support and Outreach Service and the redesign of the Early Years Coordination Service and the Internal

Children and Families Business Support Service (Children's Centres) to reflect the emerging vision relating to Family Hubs.

50. Subsequent phases will be dependent upon the outcome of the County Council engagement activity. It is anticipated that the development of this approach will build upon work taking place both locally and nationally. These phases are still in development and will involve engaging with partners, ongoing commissioning activity and developing our approach to supporting families across the county, but will include the integration of:
- a. Birth Registrations
 - b. Children and Families Health and Wellbeing Services
 - c. Early Years Services
 - d. Family Support Services
 - e. Parenting Support Services
 - f. Integrated Financial Capability Services
 - g. Training and Employment information and advice
 - h. Voluntary and community activities, provisions and services.

Resource and Value for Money Implications

51. The contract value of the Family Support and Outreach Service will be £1.8 million per year, with a total contract value of £9 million (over a maximum of 5 years).
52. We have funding allocated within the current BRFC budget to contribute to the Family Support and Outreach Service contract to 22/23. However, we anticipate that external funding will be required if we are to meet anticipated demand beyond 2022/23. The continuation of additional BRFC funding to cover beyond 2022/23 will be subject to an MHCLG decision. In addition, we will continue to work with partners to explore other contributions, as it is a service that contributes to a range of outcomes.
53. Should BRFC funding be unavailable for the Family Support and Outreach Service in future years, the County Council will undertake a review to consider future delivery options through the reconfiguration of available resources.
54. We have also secured additional funding from the Resettlement, Integration and Independence Support Grant to contribute to the Family Support and Outreach Service in 2022/23, 2023/24 and 2024/25. This contribution reflects the role of the Service in contributing to a wide range of improved outcomes for children and families across Staffordshire.
55. It is anticipated that the development of Family Hubs across Staffordshire will build upon existing services, provisions and activities. It is therefore anticipated that the County Council will seek to reconfigure existing financial arrangements to underpin the development of Family Hubs, maximising existing resources. It is also anticipated that the Family Hubs will operate within existing Children's Centre property assets and will not require additional capital investment.

Legal Implications

56. The Family Support and Outreach Service will be commissioned in line with the County Council's internal Procurement Regulations and the Public Contract Regulations 2015.
57. The County Council's statutory duties in respect of Children's Centres, as set out in the Childcare Act 2006 and the Apprenticeships, Skills, Children and Learning Act 2009, will be delivered through the proposed network of Family Hubs. This includes:
 - a. The duty to secure sufficient Children's Centres to meet local need, so far as this is reasonably practicable.
 - b. The duty to secure that each children's centre is within the remit of an advisory board and a governing body.
 - c. The duty to consider whether early childhood services should be delivered through one of the children's centres in the area.
58. The County Council is required under Section 5D of the Childcare Act 2006 to facilitate appropriate consultation in respect of the significant changes made to services in respect of Children's Centres. Due to the significant changes proposed in respect of the development of Family Hubs, the County Council will be required to undertake a period of consultation and engagement to ensure compliance with Section 5D of the Childcare Act 2006. This is only required in respect of changes to Children's Centres and therefore the County Council will exceed the minimum consultation requirements.
59. Whilst the development of Family Hubs is a significant change in respect of Children's Centres, the County Council is not seeking to remove and/or close any Children's Centre within the county.
60. In addition to the above, the development of Family Hubs will also contribute to the delivery of a range of statutory duties, including those set out in the Children Act (1989), Children Act (2004) and the Health and Social Care Act (2012).

Overview and Scrutiny Committee Oversight

61. The development of Family Hubs across Staffordshire was considered by Members of the Safeguarding Overview & Scrutiny Committee Meeting held on 6th July 2021.
62. The Committee welcomed the development of Family Hubs across Staffordshire, acknowledging the emerging national and local strategic context. The Committee endorsed the future commissioning intentions in relation to Family Hubs, specifically in respect of Family Support & Outreach Services and the Early Years Coordination Service (Children's Centres).
63. The Committee expressed the importance of the COVID-19 Recovery with a focus on Early Years, and the importance of ensuring children, families and communities get the right support, information, advice and guidance at the right time. The Committee also recognised the importance of ensuring the Family Hubs build upon the existing Children's Centre Offer.

64. The Committee also endorsed the incremental development of Family Hubs across Staffordshire through the development of an integrated model of working, inviting further consideration of the Safeguarding Overview and Scrutiny Committee.

Conclusion

65. The County Council will work with Partners and stakeholders to facilitate a phased development of Family Hubs across Staffordshire through the development of an integrated model of working.

66. The County Council will work with key stakeholders to undertake a review of the Early Years Coordination Service and the Internal Children and Families Business Support Service (in connection to Children's Centres) to develop a model which ensures the continued delivery of the Children's Centre Core Offer, whilst developing an integrated infrastructure for the emerging Family Hub.

67. Decisions in relation to the development of Family Hubs in Staffordshire, including future decisions in relation to the Early Years Coordination Service, will be taken by the Cabinet Member for Children and Young People in consultation with the Deputy Chief Executive and Director for Families and Communities.

68. The County Council will facilitate an appropriate procurement exercise in relation to the Family Support and Outreach Service, in accordance with the County Council's internal Procurement Regulations and the Public Contract Regulations 2015. Decisions, including entering the required contractual arrangements, will be taken by the Deputy Chief Executive and Director for Families and Communities in consultation with the Cabinet Member for Children and Young People.

List of Background Documents/Appendices:

Appendix 1 - Publications regarding importance of Early Years

Appendix 2 - Early Help System Guide

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Appendix 1 – Publications regarding importance of Early Years

- a. [Building Great Britons'](#), published by the All-Party Parliamentary Group for Conception to Age 2 – The First 1001 Days in February 2015.
- b. ['Evidence-based Early Years Intervention'](#), published by the Science and Technology Select Committee in November 2018.
- c. ['Tackling Disadvantage in the Early Years'](#), published by the Education Select Committee in February 2019.
- d. ['First 1000 Days of Life'](#), published by the Health and Social Care Select Committee in February 2019
- e. ['Lockdown Babies'](#), published by the former Children's Commissioner in May 2020
- f. ['Best Beginnings in the Early Years'](#), published by the former Children's Commissioner in July 2020
- g. ['Out of Routine: A Review of Sudden Unexpected Death in Infancy \(SUDI\) in Families Where the Children are Considered at Risk of Significant Harm'](#), published by the Child Safeguarding Practice Review Panel in July 2020

Appendix 2 - MHCLG Early Help System Guide

1. I trust the professionals working with me and my family – they understand us better

2. We only tell our story once. I get offered help much earlier now and everyone works together. There is someone in my life listening to and caring for me and my family, and appreciating our strengths

3. I set the outcomes in my family plan with my lead worker. I know how to improve our lives, navigate the system and get support if there are problems. Improving outcomes make a difference to our lives

4. When things get tough, I know the relationships I have with my friends and community will help me

Early Help is the total support that improves a family's resilience and outcomes or reduces the chance of a problem getting worse

FAMILIES

COMMUNITIES

Family Outcomes

LEADERS

WORKFORCE

1. Local leaders trust each and share responsibility to improve all outcomes for the place and population across the life course, with evidence and quality assurance of collective impact

2. Trust is underpinned by governance with shared responsibilities, e.g. Combined Authority, Public Service Board, Alliances

3. Local coordination of the family support system ensures needs are met, often matchmaking between demand and local resources and assets

4. There is an ambitious strategy that is transforming the local families support system and reducing demand to acute services. Prevention focussed initiatives are coordinated and seen as interdependent, such as crime, serious violence, child poverty, obesity, integrated communities

1. In my community and networks, people know each other better and look out for how they can help

2. Our community and public services agreed to work together to promote and develop community resources, spaces and activity

3. There are local projects and groups in our neighbourhood connected to family support services. Businesses play an important role in the community

4. We help to design our local services. Any work with my community or family is done in partnership

1. There is a professional family support service. Whole family working is the norm for all people-facing public services through a shared practice model. And early help and family support is seen as everyone's responsibility

2. Public services work together in integrated hubs based in the community with a common footprint

3. Universal services such as schools and nurseries are supported to help local families and vulnerable people, with access to intelligence and common case management across the early help system

4. Data sharing across partners enables joint intelligence and risk-based analysis of families' needs, including finding and offering support to families with hidden needs

Cabinet Meeting on Wednesday 15 September 2021

High Needs Provision Capital Allocation Funding



Cllr Jonathan Price, Cabinet Member for Education (and SEND) said,

“We want all children with special educational needs and disabilities to be able to reach their potential by receiving the right support at the right time in their own communities, at their local school or place of education.

This funding allows us to support bids which will enable pupils to be integrated and educated more inclusively closer to home.”

Report Summary:

Staffordshire County Council (SCC) has been allocated £2,441,299.98 High Needs Provision Capital Allocations (HNPCA) funding.

It is proposed that applications are invited from education settings for school age pupils for projects which involve:

- Developing Resource Bases at Mainstream Schools for children with Education, Health and Care Plans (EHCP) or SEN Support with Social, Emotional and Mental Health Needs and/or Autistic Spectrum Condition
- A partnership approach with co-location of specialist provision on mainstream sites
- Increasing capacity in specialist provision to reduce the need to access placements at independent schools/out of county provision.

Recommendations

I recommend that Cabinet:

- a. Supports the proposals to use the High Needs Provision Capital Allocations (HNPCA) funding as outlined below:
 - i. To develop Resource Bases at Mainstream Schools for children with Education, Health and Care Plans (EHCP) or SEN Support with Social, Emotional and Mental Health Needs and/or Autistic Spectrum Condition
 - ii. A partnership approach with co-location of specialist provision on mainstream sites
 - iii. Increasing capacity in specialist provision to reduce the need to access placements at independent schools/out of county provision.

Local Members Interest
N/A

Cabinet – Wednesday 15 September 2021

High Needs Provision Capital Allocation Funding

Recommendations of the Cabinet Member for Education (and SEND)

I recommend that Cabinet:

- a. Supports the proposals to use the High Needs Provision Capital Allocations (HNPCA) funding as outlined below:
 - i. To develop Resource Bases at Mainstream Schools for children with Education, Health and Care Plans (EHCP) or SEN Support with Social, Emotional and Mental Health Needs and/or Autistic Spectrum Condition
 - ii. A partnership approach with co-location of specialist provision on mainstream sites
 - iii. Increasing capacity in specialist provision to reduce the need to access placements at independent schools/out of county provision.

Report of the Deputy Chief Executive and Director for Families and Communities

Reasons for Recommendations:

Introduction

1. The government has committed £280 million High Needs Provision Capital Allocations (HNPCA) funding in 2021-22 to support local authorities, with Staffordshire County Council allocated £2,441,299.98. The aim of the funding is to deliver new places and improve existing provision in education settings for children and young people with SEND, particularly those with more complex needs, and with an Education, Health and Care plan (EHCP), although the funding can also be used to support SEND pupils without an EHCP and pupils that require Alternative Provision (including children in Alternative Provision settings without an EHCP).
2. The funding is intended for school aged children and young people, although it can also be used for children and young people aged 0-25 in education settings.
3. The aim of the funding is to meet local needs by:
 - a. Creating new (additional) places, at good or outstanding provision, for children and young people with high needs
 - b. Improving existing provision/adapting facilities for children and young people with high needs

4. The HNCPA grant funding Grant Determination Letter states the funding is intended for places required for the academic year 2022/23 however, local authorities have the flexibility to carry funding over into subsequent financial years.

Strategic Approach

5. Staffordshire County Council is proposing to use this capital investment to support the Vision and Priorities outlined in the [Staffordshire Special Educational Needs and Disabilities \(SEND\) Strategy 2021-2026](#)

6. The SEND Strategy Vision is:

“All children and young people with SEND are given the opportunity to achieve everything that they can. They engage with the right support at the right time from their parents/carers, the community and the professionals that work with them to make this happen.”

7. Key areas of focus within the strategy are:

- a. children and young people are given the opportunity to be educated in their local mainstream education setting, whenever it can meet their needs
- b. wherever possible children will access education placements that are close to home to help develop friendships in their local community and promote independent travel.

8. Staffordshire County Council is proposing to use the HNPCA funding to support the achievement of the above by focusing on projects which will increase:

- a. access to mainstream placements for children and young people with high needs (who might otherwise require more specialist provision)
- b. the local availability of high needs places to help reduce the requirement for out of area placements/placements at independent special schools.

The Staffordshire Picture

9. Staffordshire currently has over 6,300 children and young people with Education, Health and Care Plans (EHCP). Staffordshire has a higher than average proportion of children and young people with an EHCP attending its maintained schools (3.7% of all pupils, compared to 3.3% nationally) and lower than average levels of children and young people with SEN Support (10.3% compared to 12.1% nationally).
10. 51% of children and young people with an EHCP who are in an education placement attend specialist provision compared to 39% nationally. 7.1 % of children and young people with an EHCP who are in an education placement attend an independent or non-maintained special school compared to 5.2% nationally.
11. There are a higher proportion of children and young people with an EHCP at secondary phase, whereas for SEN Support a higher proportion can be seen at primary age.

12. The main SEN primary needs for children and young people with EHCPs and SEN Support are Autistic Spectrum Condition (ASC), Moderate Learning Difficulties (MLD) and Social, Emotional and Mental Health Needs (SEMH). The main SEN primary need for children and young people attending Staffordshire Pupil Referral Units (PRU) is SEMH. The main primary needs for children and young people with a EHCP maintained by Staffordshire attending Independent or Independent Special Schools are SEMH and ASC.
13. Districts with the highest proportion of children and young people with SEND are Cannock Chase and Tamworth.

Proposal

14. The need to develop support for school age children and young people with SEND, either with an EHCP or SEN Support, with SEMH and/or ASC has been identified and the proposal is to use the funding for projects which involve:
 - a. Developing Resource Bases at Mainstream Schools for children with Education, Health and Care Plans (EHCP) or SEN Support with Social, Emotional and Mental Health Needs and/or Autistic Spectrum Condition
 - b. A partnership approach through co-location of specialist provision on mainstream sites
 - c. Increasing capacity in specialist provision to reduce the need to access placements at independent schools/out of county provision.

Consultation

15. The above proposals were consulted on between 25 May 2021 to 25 June 2021. The consultation was circulated to schools, School Governors, Parent/Carer Forum, SEND and Inclusion Partnership Board, SEND information Advice and Support Service (SENDIASS) who circulated to parent support groups, SCC Officers and it was accessible on the SEND Local Offer.
16. 21 responses were received, with the majority from school staff. 19 responses (90%) responses were in support of the proposals.
17. The main feedback related to the proposals enabling mainstream schools to be more inclusive, meet the needs of pupils with additional needs, enabling pupils to remain in mainstream settings. Other supportive comments related to collaborative working enabling the development of staff skills and special schools being able to meet the needs of children, preventing the requirement for expensive independent placements. Consultation responses also highlighted a need to ensure resource bases are inclusive, with pupils integrated into the whole school and able to access a full differentiated curriculum, that staff were appropriately skilled and pupils had access to specialist placements if these were required.

Legal Implications

18. Legal colleagues have reviewed the HNCPA grant funding regulations and proposals and make the following comments:
19. If the Local Authority fails to comply with any of the conditions and requirements within the Grant Determination Letter then the grant may be reduced, suspended or withheld; or repaid in whole or in part. The Local Authority must comply with regulations made under Section 11 of the Local Government Act 2003. These regulations are the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003. Within Regulation 23, capital receipts can only be used for meeting capital expenditure. They cannot be used for revenue expenditure of any kind, such as training or staff costs. Further conditions of the grant funding relate to efficiency of spend to ensure value for money:

“A local authority should seek to ensure funding paid out under this grant is spent efficiently. To which end, it should thoroughly evaluate all procurement options for projects – including the DfE construction frameworks and output specification – to demonstrate value for money. A local authority should encourage academy trusts and other responsible bodies to do the same, should they procure a construction project directly.”

Resource and Value for Money Implications

20. Finance and Strategic Property colleagues have reviewed the HNCPA grant funding regulations and proposals and made the following comments:
21. In recent years Staffordshire has seen significant year on year rises in demand for SEND support. This is funded from the High Needs Block (a ring-fenced part of the Dedicated Schools Grant- DSG) and, due to historic government underfunding in this area, has been overspending annually. Staffordshire County Council is not alone in this position, it is a pressure that is impacting on the majority of councils across the sector. SCC has put in place a SEND and Inclusion Transformation Programme that is aimed improving the outcomes for Staffordshire’s children and their families. This transformation aspires to deliver an inclusive system underpinned by restorative practice and integrated into the District Footprint / Locality Model. However, this will take time and the issue is exacerbated by limited capacity within the system.
22. The Government acknowledges the pressures impacting on Local Government and has provided additional support including the High Needs Provision Capital Allocations capital investment. This will be used to deliver new places and improve existing provision for children and young people with special educational needs and disabilities or who require alternative provision. The proposals within this report are consistent and supportive of the Council’s wider transformation ambitions.
23. The DSG allocation to the Local Authority is based on pupil numbers and will therefore increase each year as pupil numbers rise. The majority of this increase will be allocated to the schools with the additional pupils through the Schools Funding Formula.

24. Future capital repairs cost of any new projects delivered will either be the responsibility of the local authority in respect of mainstream schools, or the school themselves in respect of Academies, as is the case currently. The responsible party will need to prioritise schemes to manage costs within the funding available to them.
25. Schools will be responsible for any revenue implications of the developments e.g., teaching and support staff and maintenance costs of any new buildings. Such costs will need to be contained within their overall revenue budgets.
26. To ensure value for money all contractors appointed to work on the projects funded will either be selected from SCC Frameworks or tenders will be sought from the Constructing West Midlands – CWM2 Framework. All SCC frameworks are value for money tested. In terms of resources all heating and lighting will be provided using efficient technologies.

List of Background Documents/Appendices:

Appendix 1 - Consultation Document

Contact Details

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High Needs Provision Capital Allocation Funding 2021 - 22

Consultation

1. Introduction

The government has committed £280 million High Needs Provision Capital Allocations (HNPCA) funding in 2021-22 to support local authorities. The aim of the funding is to deliver new places and improve existing provision in education settings for children and young people with SEND, particularly those with more complex needs, and with an Education, Health and Care plan (EHCP), although the funding can also be used to support SEND pupils without an EHCP and pupils that require Alternative Provision (including children in Alternative Provision settings without an EHCP).

The funding is intended for school aged children and young people, although it can also be used for children and young people aged 0-25 in education settings.

The aim of the funding is to meet local needs by:

- Creating new (additional) places for academic year 2022/23 at good or outstanding provision for children and young people with high needs
- Improving existing provision/adapting facilities for children and young people with high needs

2. Strategic Approach

Staffordshire County Council is proposing to use this capital investment to support the Vision and Priorities outlined in the [Staffordshire Special Educational Needs and Disabilities \(SEND\) Strategy 2021-2026](#)

The SEND Strategy Vision is:

“All children and young people with SEND are given the opportunity to achieve everything that they can. They engage with the right support at the right time from their parents/carers, the community and the professionals that work with them to make this happen.”

Key areas of focus within the strategy are:

- children and young people are given the opportunity to be educated in their local mainstream education setting whenever it can meet their needs
- wherever possible children will access education placements that are close to home to help develop friendships in their local community and promote independent travel.

Staffordshire County Council is therefore proposing to use the HNPCA funding and remaining Special Provision Capital Funding to support the achievement of the above by focusing on projects which will increase:

- access to mainstream placements for children and young people with high needs (who might otherwise require more specialist provision)
- the local availability of high needs places to help reduce the requirement for out of area placements/placements at independent special schools.

3. The Staffordshire Picture

Staffordshire currently has over 6200 children and young people with Education, Health and Care Plans. Staffordshire has a higher than average proportion of children and young people with an EHCP attending its maintained schools (3.7% of all pupils compared to 3.3% nationally). However, lower than average levels of children and young people with SEN Support (10.3% compared to 12.1% nationally).

51% of children and young people with an EHCP who are in an education placement attend specialist provision compared to 39% nationally. 7.1 % of children and young people with an EHCP who are in an education placement attend an independent or non-maintained special school compared to 5.2% nationally.

There are a higher proportion of children and young people with an EHCP at secondary phase, whereas for SEN Support a higher proportion can be seen in primary.

The main SEN primary needs for children and young people with EHCP's and SEN Support are Autistic Spectrum Condition (ASC), Moderate Learning Difficulties (MLD) and Social, Emotional and Mental Health Needs (SEMH). The main SEN primary need for children and young people attending Staffordshire Pupil Referral Units (PRU) is SEMH. The main primary needs for children and young people with a EHCP maintained by Staffordshire attending Independent or Independent Special Schools are SEMH and ASC.

Districts with the highest proportion of children and young people with SEND are Cannock Chase and Tamworth.

4. Proposal

The Council has therefore identified the need to develop support for school age children and young people with SEND, either an EHCP or SEN Support, with SEMH and/or ASC.

Staffordshire County Council are consulting on proposals to use the HNPCA and remaining Special Provision Capital funding to:

- Develop Resource Bases at Mainstream Schools for children with Education, Health and Care plans (EHCP) or SEN Support with Social, Emotional and Mental Health Needs and/or Autistic Spectrum Condition
- Partnership working and co-location of specialist provision on mainstream sites
- Increase capacity in specialist provision to reduce the need to access placements at Independent schools/out of county provision.

5. Consultation

We are keen to gain views on the above proposal.

Please complete the consultation form with your views and return to send.tippingst@staffordshire.gov.uk by **25 June 2021**

We will consider the feedback received to the consultation. This will inform the final decision on the focus of the funding. Once the criteria for the funding has been finalised Expressions of Interest we be invited from interested parties, to be received by **8 October 2021**.

Cabinet Meeting on Wednesday 15 September 2021

Strategic Review of the Care Home Market in Staffordshire 2021



Cllr Julia Jessel, Cabinet Member for Health and Care said,

“Offering good-quality, affordable care that meets people’s assessed needs is very important to us.

We need the care home sector to be sustainable so that people can access good quality affordable care when they need it.

The past 18 months have been a very challenging time for care homes, who have played a crucial role in keeping people safe throughout the pandemic. It is now important that we look ahead and plan for services that are fit for the future.”

Report Summary:

Staffordshire County Council (the Council) supports nearly 3,000 people to manage their assessed eligible social care needs in a care home. We need the care home sector to be sustainable so that we can offer good quality affordable care when people need it.

Covid-19 has had a profound impact on care homes, and we acknowledge the incredible role care staff have played in protecting those most vulnerable in our communities during this challenging time. We will continue to work with the sector to support it to manage the ongoing consequences of the pandemic.

The conclusions and recommendations in this report set out revised commissioning and contracting arrangements to ensure access to good quality and affordable care home placements when they are needed.

Recommendations

I recommend that Cabinet:

- a. Recognise the role that care homes have played during Covid-19 and the impact of the pandemic on the sector.
- b. Note and endorse the Council’s overall strategic objectives and approach to commissioning care homes.
- c. Agree not to progress refurbishment of the Hillfield site, Burton-on-Trent, to provide additional nursing home capacity owing to the results of the structural and feasibility studies.

- d. Approve implementation of guide prices for care home placements.
- e. Approve extension and variation of the current dynamic purchasing system contract for care homes for a further period from 01/04/2022 until no later than 31/03/2023.
- f. Approve re-procurement of a new dynamic purchasing system for care homes with a revised service specification, and delegate to the Director of Health and Care authority to award new contracts through the new dynamic purchasing system, effective from April 2023.
- g. Approve a phased increase in the number of block booked care home beds in accordance with demand, and delegate to the Director of Health and Care authority to award block booked bed contracts.
- h. Complete a review of the approach to contracting for complex residential and nursing home placements and delegate to the Director of Health and Care to consider the options and implement a preferred option in consultation with the corporate Senior Leadership Team and the Cabinet Member for Health and Care.
- i. Note the opportunities to use technology and innovation to support care homes to meet the challenges identified in this report.

Local Members Interest
N/A

Cabinet – Wednesday 15 September 2021

Strategic Review of the Care Home Market in Staffordshire 2021

Recommendations of the Cabinet Member for Health and Care

I recommend that Cabinet:

- a. Recognise the role that care homes have played during Covid-19 and the impact of the pandemic on the sector.
- b. Note and endorse the Council's overall strategic objectives and approach to commissioning care homes.
- c. Agree not to progress refurbishment of the Hillfield site, Burton-on-Trent, to provide additional nursing home capacity owing to the results of the structural and feasibility studies.
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- h. Complete a review of the approach to contracting for complex residential and nursing home placements and delegate to the Director of Health and Care to consider the options and implement a preferred option in consultation with the corporate Senior Leadership Team and the Cabinet Member for Health and Care.
- i. Note the opportunities to use technology and innovation to support care homes to meet the challenges identified in this report.

Report of the Director of Health and Care

Reasons for Recommendations:

Background

1. The Council has a statutory duty to meet the needs of people who are assessed as eligible for care and support under the Care Act 2014. If an eligible person is identified as having care needs that can no longer be safely managed in their own home or another community setting, the Council will meet those needs by commissioning a care home placement. The Council also has a duty to shape the market to ensure that care and support is available when required.
2. Many people fund their own placements and every Council funded person in a care home will pay a contribution towards the cost of their care as determined by a financial assessment.
3. Cabinet last reviewed the care home market in Staffordshire in September 2020 and as part of that review agreed that further work was undertaken to update the long-term demand model for placements taking into account the impact of Covid-19 and explore the future commissioning arrangements for care homes. Cabinet also agreed that the intended refurbishment of the former care home in Burton-on-Trent be paused to allow for further evaluation of the impact of Covid-19 and associated infection prevention and control requirements. This report presents the findings and recommendations from the work undertaken since then.
4. Covid-19 has had a profound impact on care homes, and despite the vaccination programme and the release of 'lockdown' restrictions, there remains considerable uncertainty about the long-term impact on the market. There may be a changed pattern in demand for care home placements, as well as further legislation or guidance that affect workforce and/or costs.
5. The Council's overall strategic objectives from commissioning care homes are:
 - a. **Improving the quality** of care homes in Staffordshire. This is primarily measured by the proportion of care homes rated by the Care Quality Commission (CQC) as 'outstanding' or 'good' with a target to reach the England average within the next 3-5 years (see Appendix 1, Table 2 and Figure 2).
 - b. **Ensuring timely access** to care home placements when required. This is measured by the proportion of placements sourced to timescale with a target of 85% overall (see Appendix 1, Figure 3).
 - c. **Ensuring affordability** of care home placements, such that Council is paying a fair price, achieving value for money, and that overall expenditure does not exceed the budget. This is measured by the average price of placements with a target that this increases only by the cost of inflation and that variation in price is reduced (see Appendix 1, Table 3).

Overview of the care home market

6. There are 249 care homes with 7,882 beds in Staffordshire (as at June 2021). The numbers of care homes and beds has been increasing in recent years. Since May 2019, there has been a net increase of 3 care homes and 251 beds.
7. The Council funds nearly 3,000 care home placements, just over 1,800 in residential homes and over 1,100 in nursing homes. A breakdown by location and client group is shown in Table 1 below with more details in Appendix 1, Table 4.

Table 1: breakdown of Council funded care home placements

Location	In county	Out of county	Total
Older people	1,844	385	2,229
Physical disability	35	36	71
Learning disability	282	174	456
Mental health	118	48	166
Total	2,279	643	2,922

8. The Council currently purchases approximately one third of the care home beds in Staffordshire. The remainder are either purchased by other local authorities, the NHS, or self-funders. The Council therefore has relatively limited overall purchasing power, although the proportion of beds purchased by the Council does vary by locality and type of care home.

Strategic commissioning approach – current position

9. The Council's strategic approach to commissioning care homes includes:
 - a. Understanding demand and supply.
 - b. Supporting quality improvement.
 - c. Pricing.
 - d. Contracting.

a) Understanding demand and supply

10. Prior to Covid-19, the number of Council funded care home placements was expected to rise slowly for older people and remain more or less static for younger adults with physical disabilities, learning disabilities or mental health conditions. The pandemic has had a significant impact on Council funded older people's placements: a combination of deaths and reduction in new placements has reduced the number from over 2,600 at the beginning of 2020 to under 2,300 in June 2021. Providers have also reported a similar reduction in self-funded placements.
11. New care home placements for older people now seem to be returning to pre-pandemic levels at just over 100 per month. Based on this it is anticipated that the number of placements for older people will rise over the next ten years to between and 3,900 by 2031, as shown in Appendix 1, Figure 1. Supply of care home placements is also rising, with a 5% increase in capacity since September 2020. However, where this capacity includes a high level of vacancies, this may lead to

challenges to the sustainability of care homes. It will remain important for the Council to continue to track occupancy and staffing levels at a home by home level, and to remain engaged with care homes to understand their individual positions.

b) Quality improvement

12. The Council's quality improvement approaches include:

- a. **The Quality Assurance Team**, which monitors and supports contracted adult social care services.
- b. **The Provider Improvement and Response Team**, which is a joint team with the Clinical Commissioning Groups in Staffordshire and includes nurses and other staff who work with care homes who require more intensive support to help them to improve.
- c. **The Care Market Development Team**, which assists adult social care services in Staffordshire with staff recruitment, training and retention, as well as sharing good practice and examples of innovation, and supports the sector in developing its workforce

13. There has been a significant improvement in the quality of care homes in Staffordshire over the last five years, but quality remains below the England average, as shown in Appendix 1, Table 2 and Figure 2. The Council will need to maintain an ongoing and enhanced focus on quality improvement, to be confident that this trajectory of improvement will continue.

c) Pricing

14. The current care home contract includes ten lots, each with a reference rate, as set out in Appendix 1, Table 3. Reference rates provide an indication of the price the Council would expect to pay for each type of care home placement. Current reference rates are no longer sufficiently reflective of the actual cost of care or the price paid by the Council. There is substantial variation in prices in all lots and a relatively small proportion of care home placements within the reference rates for each lot, as shown in Appendix 1, Tables 4 and 5.

d) Procurement and contracting

15. The Council has three mechanisms for procurement and contracting care home placements:

- a. Dynamic Purchasing System.
- b. Block booked beds.
- c. Nexus Trading Services Ltd trading as Nexus Cares (Nexus).

16. The **Dynamic Purchasing System (DPS)** is a contract platform through which the Council is able to agree a standard set of terms and conditions with a range of providers without committing to guaranteed levels of business. Individual placements are then made using an electronic system that advertises new

placements to all contracted providers and secures them on the basis of quality and cost. The DPS is “open” and allows new entrants to join at any point during its duration. This is important for care homes as it means that new and out of county homes can be given contracts as new placements are required.

17. There are challenges with the current process and methodology used to source placements under the DPS:
 - a. It has not kept price increases to the Council in line with expectations and there are large variations in the prices of placements in all lots.
 - b. The electronic call-off system used to broker placements is not optimal, and IT system, accompanying business processes, and methodology for data capture, reporting and use of intelligence, could be improved.
18. Nevertheless, the market and stakeholder feedback to date has identified that the DPS is an effective way of contracting, although there is scope for improvement in systems and processes.
19. **Block booked beds** use the same underlying terms and conditions as the DPS but are contracted for a fixed number of beds with guaranteed business once these beds are activated. There are currently 231 contracted block booked beds contracted of which 142 have been activated (as of August 2021) and these are typically 90% occupied, the vacant beds resulting from the period between one resident moving out and another moving in.
20. Block booked beds have proved effective at controlling and standardising the price of care home placements. The average price of block booked beds is below the average for the relevant lot and all block booked beds are within the reference rates for the relevant lot. The effect has been to reduce the average price of new nursing home placements from £840 per bed per week in September 2019 to £749 in March 2021, avoiding costs close to £1 million annually.
21. **Nexus Care.** The Council contracts with its local authority trading company, Nexus Care, to provide care at two homes, Meadowrythe (in Tamworth) and Bracken House (in Burntwood), with a total of 75 beds. Over the next two years there will be a detailed feasibility analysis to determine whether the homes can become registered to deliver nursing care.

Impact of the Covid-19 pandemic

22. Care homes and their staff have worked tirelessly throughout the pandemic to maintain care to some of the most vulnerable residents in the county. Overall they have worked hard to provide the best possible care under incredibly challenging circumstances. Despite this, over half of all care homes in Staffordshire have had a case or outbreak of Covid-19 and there have sadly been a number of deaths.
23. For many residents, a care home will be their home at the end of life, and the infection prevention and control requirements for Covid-19 have had an impact on their quality of life, due to social distancing, self-isolation and restrictions on visiting.

The impact on the mental and emotional well-being of all involved has been considerable.

24. The Council has supported care homes throughout the pandemic including with advice and guidance, supplies of personal protective equipment, infection control expertise and training, extra staff, access to wellbeing resources, and additional funding and distribution of grants totalling over £27 million, as listed in Table 2.

Table 2: additional funding and grants to care homes

Funding	Amount (£m)
Emergency funding	7.276
Infection Control Fund 1,2,3 & 4	14.811
Community Testing Fund	0.001
Rapid Testing Fund 1,2,3	4.573
Workforce Capacity Grant	0.772
Total	27.432

25. The pandemic will continue to have an impact on care homes for many years. The Council has completed a risk analysis using a tool developed by the West Midlands Association of Directors of Adult Social Services, which indicates that around 20% of care homes in Staffordshire are facing ongoing risks. These include:
- a. **Reduced bed occupancy.** Providers tend to plan for an average occupancy rate of around 85% over a 12 month period but are currently operating closer to 77%, which reduces their income overall.
 - b. **Increased operating costs.** Covid-19 has brought requirements for enhanced infection prevention and control, compounded pre-existing challenges with staff recruitment and retention, and significantly increased insurance premiums.
 - c. **Recruitment and retention of staff.** Even prior to the pandemic, care homes faced a significant challenge with staff recruitment and retention. This has been compounded by new expectations that staff only work at one care home, and for Covid-19 vaccination as a condition of deployment. At the end of July 2021 91% of care home staff in Staffordshire have had one vaccination doses and 80% two doses, according to the data reported by care home managers.
 - d. **Structural issues.** The pandemic has reduced the capacity of some care homes because of the requirement for all residents to occupy single rooms. It will also require ongoing social distancing, which may be difficult in some care homes due to the layout of buildings.
 - e. **Quality.** Staffordshire has a relatively high proportion of care homes rated by the CQC as 'Requires Improvement' or 'Inadequate'. These are being supported by the Quality Assurance Team, and Provider Improvement and Response Team.
 - f. **Financial viability.** The combination of reduced income and higher operating costs may threaten the financial viability of some care homes. This risk has been

mitigated during the pandemic by additional funding from Government, as shown in Table 2, but it is not expected that this will continue.

Next Steps

26. The fall in demand for older people's care home placements, both Council funded and self-funded, is likely to recover but this may take a considerable time. This may leave some care homes well below their planned bed occupancy rate for a prolonged period. This, along with increased operating costs and ongoing challenges with staff recruitment and retention, may compromise financial viability for some care homes. This risk is likely to be greater in older care homes where structural issues limit capacity and/or make social distancing difficult, as well as in care homes owned by smaller companies that do not have significant financial reserves. It is reasonable to expect that there may be some consolidation of the market in the next five years.

Development of additional council owned nursing home capacity

27. Prior to the pandemic, in the face of rising prices, the Council was intending to develop up to 200 new nursing beds across three care homes. The first phase of this would have been achieved through refurbishment of a Council owned site at Hillfield, Burton on Trent. The second phase included building two new Council owned nursing homes.
28. Cabinet agreed in September 2020 to pause refurbishment of the Hillfield site due to the anticipated reduction in demand for care home placements as well as the limitations of the building, in order to allow further evaluation of the compatibility of the site with the enhanced infection prevention and control standards required by Covid-19.
29. The Council has now completed structural and feasibility studies to explore the changes to the building required in order to meet enhanced infection prevention and control standards. These have demonstrated that the associated costs would not offer value for money. The **recommendation** is therefore not to progress refurbishment of the Hillfield site, Burton-on-Trent, to provide additional nursing home capacity.
30. Cabinet also agreed in September 2020 to continue to explore the business case for building two new Council owned nursing homes, and to review the intended design and delivery models to ensure that they are consistent enhanced infection prevention and control standards required by Covid-19. This work is ongoing, taking into account updated estimates of demand, and a further report will be presented to Cabinet detailing the findings.

Quality Improvement

31. The Council will continue and strengthen its quality improvement work, and the new care home contract will align with this.

32. The Council will continue to build on its experience during the pandemic to continually refine its support to care homes for quality improvement. The Provider Improvement Response Team has been increased in capacity, and there has been further joint working with the local NHS to support quality improvement.
33. Where care homes are repeatedly identified by CQC as requiring improvement, and unable to demonstrate a capacity for sustained improvement despite advice and assistance, the Council will consider whether it can continue to make new placements and also consider supporting a move of residents, where this is in their interests on a balance of risks
34. One of the biggest risks facing care homes (in particular nursing care) is the ability to retain qualified and experienced staff. The Council will continue to support the care home workforce through:
 - a. The work of the Care Market Development Team including exploring opportunities for innovation and technology that support safe and effective care and maximise the capacity of the staff available.
 - b. Working with the NHS to develop apprenticeship and reservist models, and supporting with advice on best practice in recruitment and retention.
 - c. Advocating for the sector, for example through our Dignity in Care Awards, which recognise exceptional and outstanding practice by individual care workers and teams.
 - d. Link with other local authorities in the region to consider the workforce challenges in the sector and develop a Care Workforce strategy to set out ways in which the workforce can be valued and utilised to best effect.

Pricing

35. It will remain important for the Council to give an indication of the price it is prepared to pay for care home placements. The **recommendation** is to implement guide prices. Guide prices for care home placements will be based on detailed analysis and market engagement, taking into consideration local variances. Guide prices will act as indicator of expected prices to enable the use of local intelligence when sourcing along with potential negotiation to ensure the delivery of value for money. Guide prices will also inform Block Booked Bed price expectations for potential bidders and support the development of future strategic objectives in relation to the market.

Procurement and Contracting

36. Recommendations for re-procurement and future contracting arrangements have been informed by engagement with care homes, and the completion of an options appraisal.
37. A questionnaire was sent in March 2021 to all registered care homes in Staffordshire along with out of county care homes contracted by the Council.

Providers were asked for feedback on current contracting arrangements and their preferred option for future contracting arrangements. 65 providers completed the questionnaire. There was some helpful feedback on current arrangements and the Council already has actions underway to review and improve internal processes accordingly. There was no clear consensus on future contracting arrangements. Further engagement is planned over the coming months.

38. The options appraisal considered options for future contracting arrangements with care homes. The following options were considered:
- a. A framework agreement.
 - b. A Dynamic Purchasing System (DPS) Agreement.
 - c. Blocked booked beds.
 - d. Spot purchasing.
39. The criteria used for the appraisal were that the arrangements must:
- a. Satisfy Public Contract Regulations 2015.
 - b. Allow flexibility in response to changing circumstances.
 - c. Promote market sustainability.
 - d. Promote competition.
 - e. Offer value for money.
 - f. Be simple to administer.

Dynamic purchasing system (DPS)

40. The market and stakeholder feedback to date, alongside the options appraisal, has identified that a DPS Agreement is an effective way of contracting if the IT system and accompanying process can be improved. The strengths and opportunities of a DPS are:
- a. New providers can join at any time, allowing flexibility to accommodate new entrants to the market.
 - b. Providers are able to reapply if not successful on first application.
 - c. It is not limited to four years duration, unlike a framework agreement.
 - d. It allows the Council to call-off throughout the term for single placements as well as the procurement of blocked booked beds with approved providers.
 - e. It offers an opportunity for price competition at the point of call-off.
 - f. Market awareness and familiarity as a contract mechanism.
 - g. There are a range of IT systems available.
41. The existing DPS Agreement is in place until April 2022. A further contract extension is required to enable the development of new contractual arrangements, determine the most effective IT system and allow process changes to be implemented. The **recommendations** are therefore to:
- a. Extend and vary the current DPS contract for care homes for a further period from 01 April 2022 until no later than 31 March 2023, to incorporate amended terms and conditions including the extension period, changes to data protection requirements and payment of gross fees for new placements, with the Council

collecting the client contribution and third party top ups. This will require the Council to issue a notice on Find a Tender.

- b. Re-procure a new DPS contract for care homes with a revised service specification including terms and conditions, contract management and quality assurance expectations. The new contract would commence no later than 01 April 2023.

Block Booked Beds

42. The options appraisal, has identified a range of strengths and opportunities from block booked beds:
 - a. Offers guaranteed business for contracted care homes. for savings.
 - b. Standardises services, both quality and price.
 - c. Offers value for money.
 - d. Improved engagement and relationships with contracted care homes, with potential to facilitate innovation.
43. The Council is keen to build on the success of block booked beds. The **recommendation** is for a phased increase in the number of block booked beds in accordance with demand, with further detailed analysis to be undertaken to determine the number and locations of block booked beds required.

Provision by the Council's local authority trading company or partnership models

44. The Council will also consider expansion of care home provision by Nexus or a similar local authority trading company or partnership where the market cannot offer good quality care at an affordable price. Should there be a requirement and business case for any such expansion, a specific proposal will be brought to Cabinet in the future.

Contracting for complex residential or nursing care home placements

45. There are occasions where the complexity of need of the person requiring a placement in a care home (which can include people with challenging behaviours resulting from their disability or dementia) means that a standard approach to sourcing care is not appropriate. In these circumstances there can be an additional time pressure because of a breakdown in current arrangements, either with informal carers at home or in other care settings which cannot meet the increasing needs. This can lead to placements being sourced in an emergency in care homes many miles from family and friends, implementation of restrictive care such as high usage of one-to-one staffing, and can lead to multiple moves in short periods of time which can have a detrimental impact on the person's wellbeing.
46. A review of the current processes for sourcing placements for complex needs is required and consideration will be given to whether additional block booked bed arrangements could be used. The needs of those with the most complex needs may be capable of being met by the earlier recommendations in this report, but where

this is not possible, the procurement and contracting process may be enhanced, for example, with additional terms or conditions, or a more detailed consideration of every element of pricing, proportional to the complexity of the needs. The **recommendation** is to complete a review of the approach to contracting for complex residential and nursing home placements and delegate to the Director of Health and Care to consider the options and implement the preferred option in consultation with the corporate Senior Leadership Team and the Cabinet Member for Health and Care.

Opportunities for innovation and use of technology

47. The Council continues to promote innovation including use of technology to improve the quality and productivity of care. In care homes current initiatives include:
 - a. **Reminiscence Interactive Therapy Activities** systems. This is a stand-alone system that does not require an internet connection and includes different types of entertainment, such as music and films, along with sensory games and puzzles. It improves the experience of people with dementia and frees-up staff time.
 - b. **Oxevision**. This is a contact-free electronic monitoring system that allows care staff to monitor multiple rooms at one time, without the need for one-to-one visits or night-time checks. It reduces infection risk to residents and staff and frees-up staff time.
 - c. **Other technologies** including pressure and falls mats, iPads, and various other video-calling platforms, along with the implementation of electronic care records and the role out of secure nhs.net email, and electronic assessments.

Legal Implications

48. The recommendations within this report take account of the Council's internal Procurement Regulations and Financial Regulations and the Public Contract Regulations 2015. During the extension of the DPS and the overarching agreement with providers contracts will continue be awarded through the DPS.
49. Contract variations will be issued to all current care home contract providers to include the extension period, changes to data protection legislation and gross payment of weekly fees.
50. Although variations will be made to the DPS terms and conditions, during the extension the DPS is still open for new providers to join thereby giving all providers the opportunity to tender for work through the DPS.

Resource and Value for Money Implications

51. The Council's expenditure on care home placements had been increasing. Prior to March 2020 expenditure was increasing by 5% annually for residential care and 12% annually for nursing care, as shown in Appendix 1, Table 5.

52. The Council is not obliged in contracts to offer fee uplifts to care providers but does have the option to award discretionary fee reviews to take account of increasing costs for providers. The new contractual arrangements will continue this approach. The fee review process only applies to contracted providers. For individual packages of care with non-contracted providers any costs and uplifts are determined by the provider and negotiated separately.
53. The approved uplift for residential and nursing placements for 2021/22 was a composite rate of 1.79% and this was only applied to legacy placements with a commencement date prior to 01 April 2020. A composite rate of 2.79% was applied to all legacy placements with a start date prior to 01 April 2019 under the 2020/21 fee review.
54. A forecast saving of £5m has been identified in the quarter 1 monitoring report for 2021/22. This has arisen as the number of older people's care home placements is below the number budgeted in the current financial year due to reduced demand as a result of the Covid pandemic. Further growth had also been built into the budget to mitigate any risks to the provider market arising from the pandemic.
55. The Medium Term Financial Strategy includes funding to meet demographic and inflationary pressures for care home placements. An allocation of £4.736m has been provided to meet demographic and price pressures in older people residential and nursing placements. Best-case and worst-case scenarios were identified, with the mid-point position being assumed. This resulted in assumed growth in residential placements of 43 people per year and in nursing placements of 43 people per year.

List of Background Documents/Appendices:

[Strategic Review of the Older People Care Home Market in Staffordshire 2020 – Cabinet Report 16/09/2020](#)

Appendix 1 – Strategic Review Analysis of the Care Home Market

Community Impact Assessment

Contact Details

Assistant Director:	Andrew Jepps, Assistant Director for Care Commissioning
Report Author:	Helen Trousdale
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Strategic Review Analysis of the Care Home Market

Appendix 1: additional data

Demand and supply

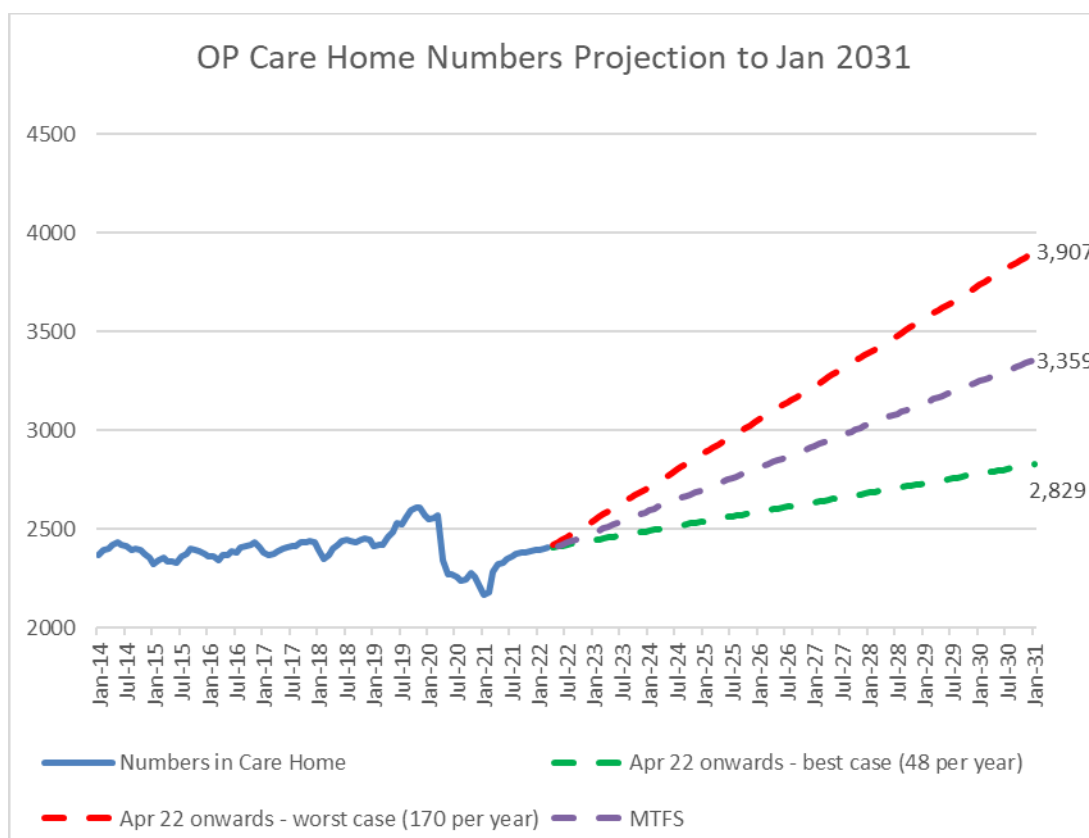
1. Prior to Covid-19 the number of funded placements in care homes had remained broadly constant with around 110 placements ending and starting each month.
2. There was a 23% reduction in new residential placements made in 2020/21 when compared to the previous year, and a 29% reduction in new nursing placements. This was as a result of the impact of the Covid-19 pandemic and changes in the way that the NHS sourced temporary placements for people leaving hospital.

Table 1: Long-stay care home placements by lot and contract type as at 4th June 2021

	19/20 – new placements made			20/21 – new placements made			All SCC funded placements regardless of start date		
	Individual placements	BBB	Total	Individual placements	BBB	Total	Individual placements	BBB	Total
Lot 1 – Residential Older People	193	0	193	136	6	142	408	5	413
Lot 2 – Residential Dementia	439	0	439	337	12	349	830	12	842
Lot 3- Residential Physical Disability	4		4	3		3	36		36
Lot 4 - Residential Learning Disability/ Autistic Spectrum Disorder	27		27	20		20	430		430
Lot 5 – Residential Mental Health	13		13	5		5	85		85
Residential Total	676	0	676	501	18	519	1789	17	1806
Lot 6 – Nursing Older People	234	37	271	119	49	168	332	62	394
Lot 7 – Nursing Dementia	308	34	342	208	57	265	527	53	580
Lot 8 - Nursing Physical Disability/ Sensory Impairment	4		4	3		3	35		35
Lot 9-Nursing Learning Disability/ Autistic Spectrum Disorder-	3		3	3		3	26		26
Lot 10 – Nursing Mental Health	14		14	12		12	81		81
Nursing Total	563	71	634	345	106	451	1001	115	1116
TOTAL	1,239	71	1,310	846	124	970	2,790	132	2,922

3. New placements are now increasing and is now around 114 on average per month in the last 6 months. This increase is partly as a result of a number of NHS temporary placements transferring to social care.
4. Ongoing demand is expected to result in a net increase of between 48 and 170 placements per year. The Council's model has been revised to take into account this demand projection. Figure 1 models future demand for care home placements based on this projection.

Figure 1: Future projection of Council funded older people care home placements



Quality

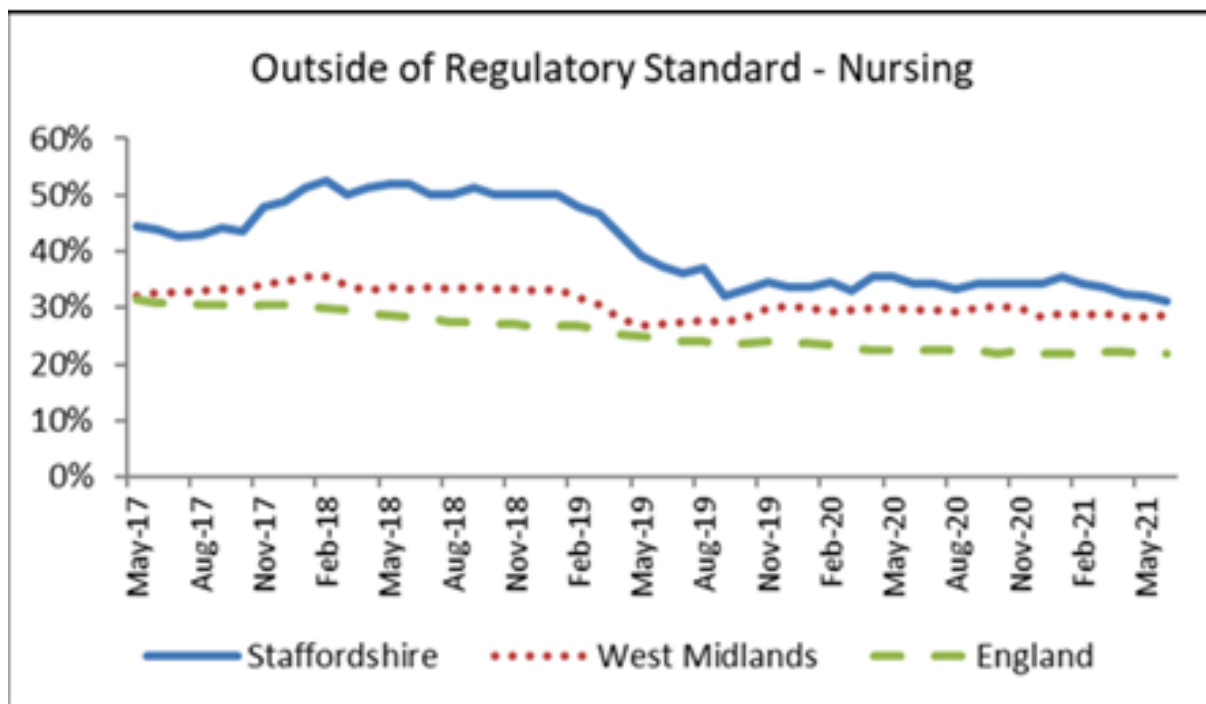
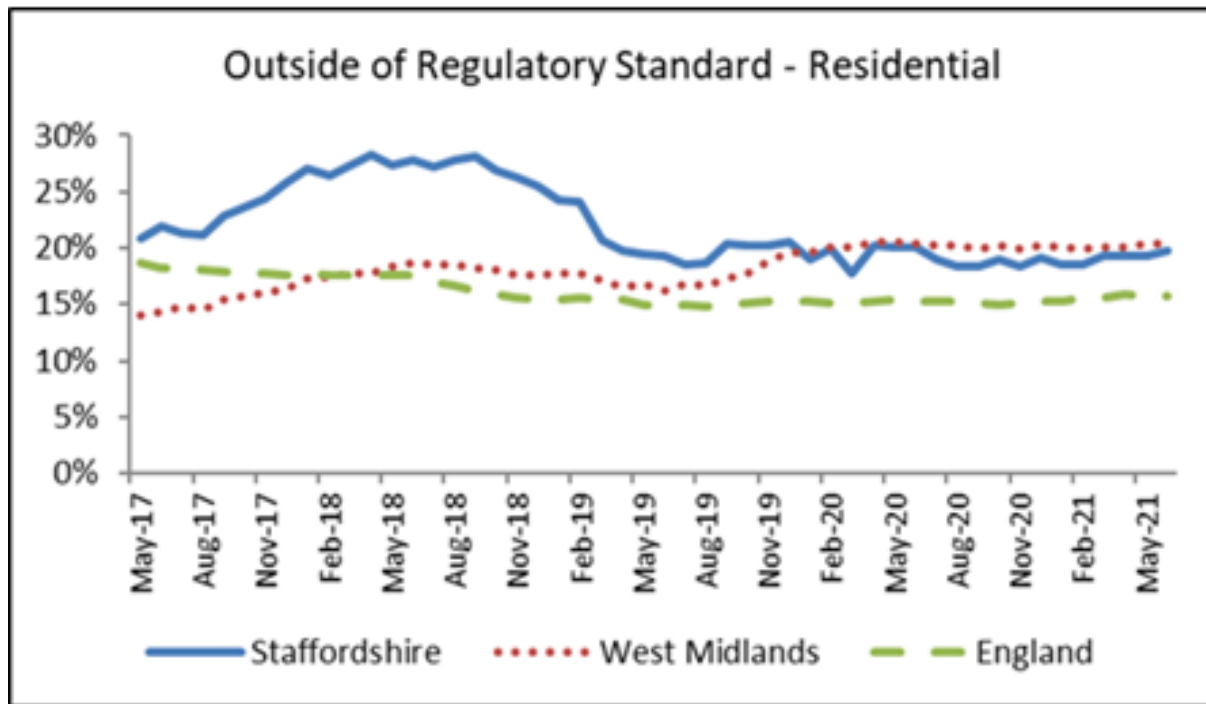
- The provision of accommodation for people who require nursing or personal care is a regulated activity and all providers must be registered with and inspected by the Care Quality Commission (CQC). The CQC rates 77.69% of Staffordshire residential and nursing homes as 'good' or 'outstanding' or has not yet rated the care home. This is in comparison to a West Midlands figure of 78.3% and a England figure of 83.17%. Table 2 below shows the current Staffordshire CQC ratings compared to the West Midlands and England figures.
- There has been an improvement in quality in care homes in Staffordshire over the last 2 years and the gap between the proportion rated 'good' or 'outstanding' compared to national and regional averages has closed as shown in Figure 2.

Table 2: CQC Ratings for Staffordshire, West Midlands and England

CQC rating*	SCC	West Midlands	England
Outstanding	3.19% (8 homes)	2.52%	4.26%
Good	68.92% (173 homes)	71.58%	75.05%
Requires Improvement	20.32% (51 homes)	20.32%	15.57%
Inadequate	1.99% (5 homes)	1.38%	1.24%
No Rating	5.58% (14 homes)	4.2%	3.85%

*note that CQC data includes 2 additional records to SCC internal intelligence due to one home appearing twice after re-registering, and 1 having since closed but registration not yet removed.

Figure 2: CQC ratings for Staffordshire, West Midlands and England



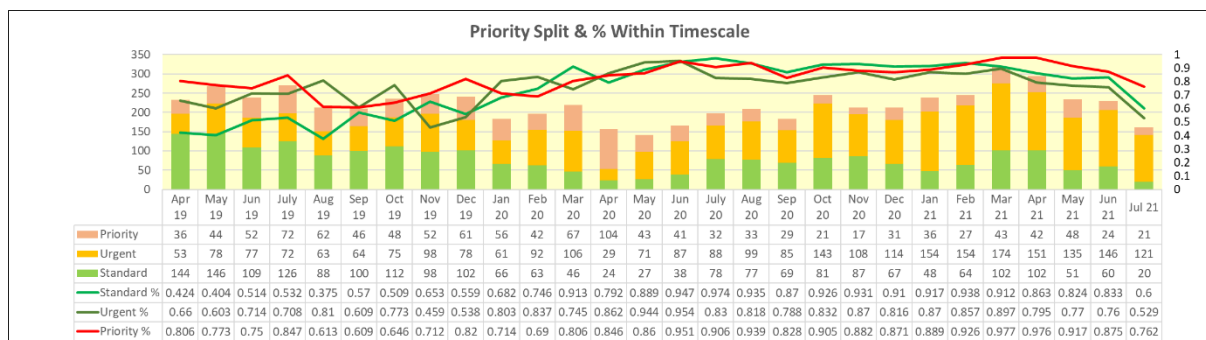
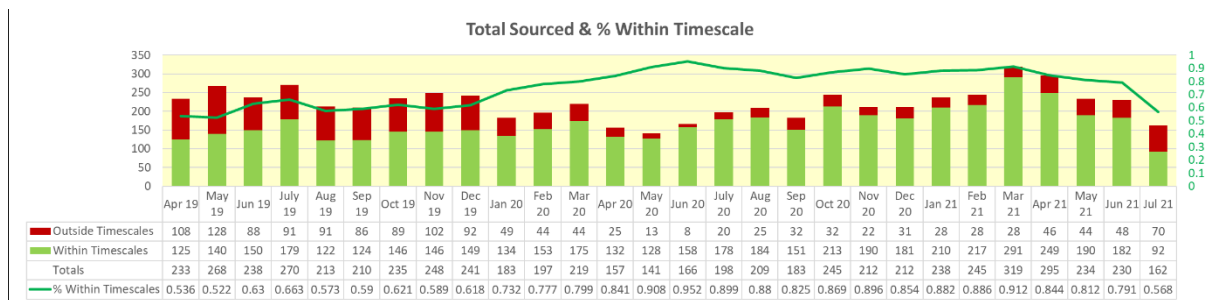
Access

7. The sourcing of care home placements is by the Councils brokerage team to the following timescales:
 - a) Priority 1 – sourced within 24 hrs

- b) Urgent – sourced within 7 days
- c) Standard – sourced within 28 days

8. Ensuring timely access to care home placements when required, is measured by the proportion of placements sourced within timescale with a target of 85% overall.
9. The number and proportion of placements sourced within timescale, and by priority are shown in figure 4 below. In March 2021 91% of placements were sourced within timescale. This reduced to 79% in June, and then dipped throughout July in part due to changes required within Care Director to change over from v5 to v6.

Figure 3: Total placements sourced within timescale



Affordability

10. Current reference rates were calculated in 2018 as a mean of the price of all care home placements at the time, plus and minus 20%, and have been increased by the annual inflation award each year.
11. Current reference rates are no longer sufficiently reflective of the actual cost of care or the price paid by the Council. There is substantial variation in prices in all lots and a relatively small proportion of care home placements within the reference rates for each lot, as shown in Tables 3 and 4:
 - a. Of all current residential placements across all lots less than 50% overall are within the reference rates; of all current nursing placements across all lots less than 70% overall are within the reference rates.
 - b. Only 24% of all residential Learning Disability/ Autistic Spectrum Disorder placements are within the reference rate. This alongside analysis of the

effectiveness of the DPS sourcing of placements indicates that a different approach to securing more complex placements for all cohorts is required and that the current reference rates are not fit for purpose

Table 3: Percentage of placements within reference rate range

Lot	Reference rate range	% of placements within reference rates 20/21	% of placements within reference rates Current	Current average price of placements¹
Lot 1 – Residential Older People	£450 - £586	26%	43%	£597*
Lot 2 – Residential Dementia	£454 - £729	19%	11%	£604*
Lot 3 – Residential Physical Disability	£501 - £1,196	33%	47%	£1131
Lot 4 – Residential Learning Disability/ Autistic Spectrum Disorder	£878 - £1,270	15%	24%	£1473*
Lot 5 – Residential Mental Health	£483 - £916	60%	51%	£841*
Lot 6 – Nursing Older People	£473 - £596	12%	29%	£654*
Lot 7 - Nursing Dementia	£473 - £659	25%	25%	£885*
Lot 8 - Nursing Physical Disability / Sensory Impairment	£509 - £1003	100%	43%	£1165
Lot 9 Nursing Learning Disability/ Autistic Spectrum Disorder	£739 - £1570	67%	73%	£1256
Lot 10 – Nursing Mental Health	£537 - £998	17%	46%	£1058

12. There are further variances in price dependent upon the location of the care home as detailed in Table 4.

¹ Note the decision was made for the mean to be calculated on percentiles 10-90 only for the County wide data unless the data count was very low. This is to avoid the data being skewed by any anomaly data that is particularly low or high. Where the data has been calculated on this basis it has been marked with an asterix(*)

Table 4: Location variances in price of care home placements

	Location	Cannock	East Staffs.	Lichfield	New castle	South Staffs.	Stafford	Moorlands	Tam worth
Lot % of placements within referencates Current	Lot 1 – Residential Older People	63%	71%	68%	9%	58%	64%	33%	86%
	Lot 2 – Residential Dementia	15%	17%	20%	5%	10%	11%	2%	15%
	Lot 3 – Residential Physical Disability	Low number of placements recorded/ made during period so no meaningful data available at location level							
	Lot 4 – Residential Learning Disability/ Autistic Spectrum Disorder	78%	64%	52%	48%	61%	49%	51%	66%
	Lot 5 – Residential Mental Health	0%	44%	80%	0%	50%	16%	62%	75%
	Lot 6 – Nursing Older People	63%	65%	56%	62%	100%	77%	55%	57%
	Lot 7 - Nursing Dementia	72%	78%	78%	80%	82%	77%	78%	54%
	Lot 8 - Nursing Physical Disability / Sensory Impairment	Low number of placements recorded/ made during period so no meaningful data available at location level							
	Lot 9 Nursing Learning Disability/ Autistic Spectrum Disorder	Low number of placements recorded/ made during period so no meaningful data available at location level							
	Lot 10 – Nursing Mental Health	Low number of placements recorded/ made during period so no meaningful data available at location level							

13. Over previous years* there was an increase in the average bed price by 4.5% for residential and 7.7% for nursing more than the annual inflation award made by the Council. During 2020/21 this decreased to 2.6% for residential and by -9.0% for nursing as displayed in Table 5 and Figure 4 the average weekly placement cost.

Table 5: Annual expenditure on external care home placements (this includes the impact of market price variation as well as inflation uplift)

	2017-18		2018-19		2019-20		2020-21		2021-22 Forecast	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net

OPPD Residential	37.59	23.21	42.68	25.17	45.24	26.37	45.26	26.48	48.77	29.14
OPPD nursing	34.54	23.07	41.59	27.94	49.04	32.32	44.57	29.41	57.13	41.89
MH Residential	2.86	2.48	3.28	2.41	3.27	2.90	3.59	2.78	3.57	2.85
MH nursing	4.41	3.80	4.57	3.48	4.78	3.75	4.99	3.74	4.79	3.94
LD Residential	32.82	27.44	32.59	25.81	36.90	29.19	38.77	32.31	37.66	35.75
LD Nursing	2.27	1.50	1.94	1.48	1.71	1.32	1.28	1.01	2.22	2.05
Total	114.49	81.51	126.64	86.29	140.95	95.85	138.46	95.74	154.14	115.63

Figure 4a: Average cost of residential placements

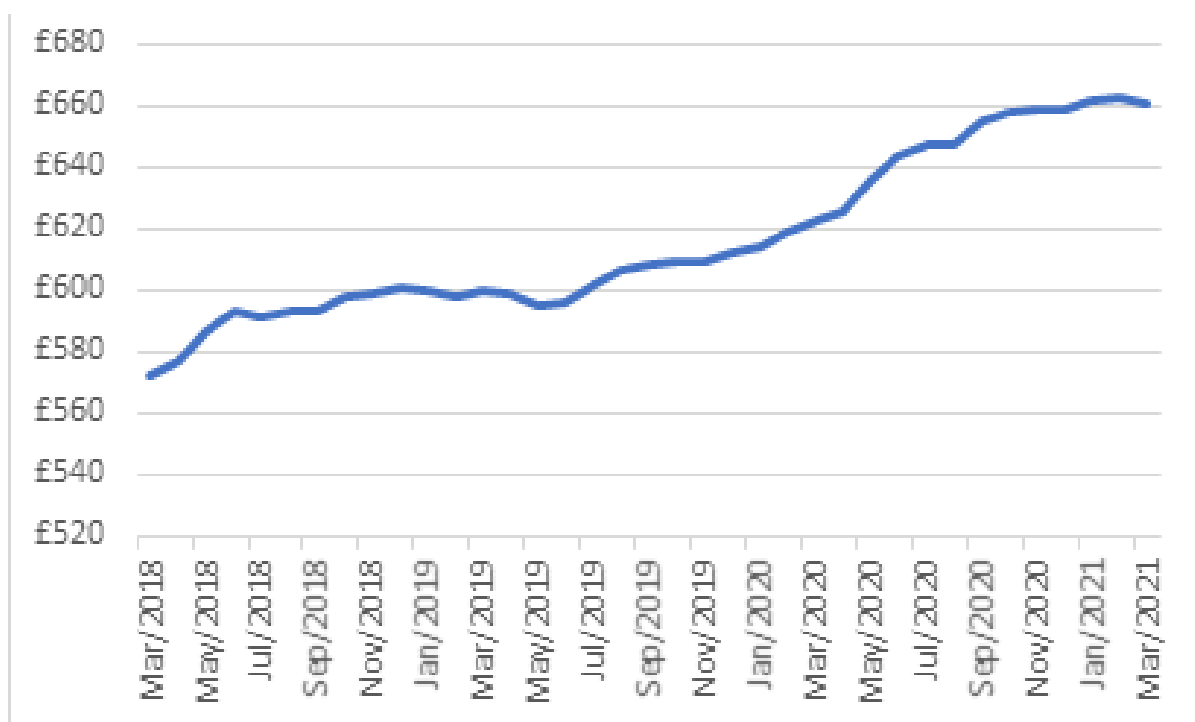
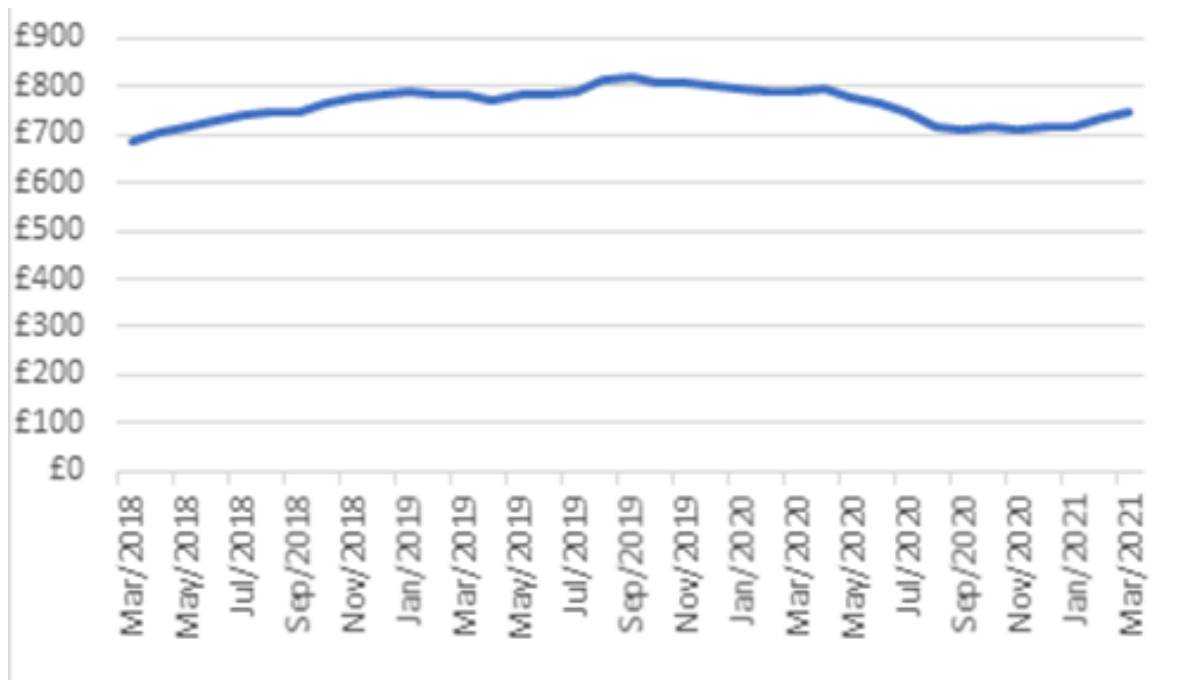


Figure 4b: Average cost of nursing placements





Staffordshire
County Council

Community Impact Assessment Checklist and Executive Summary

Name of Proposal: Strategic Review of the Care Home Market in Staffordshire 2021

Project Sponsor: Dr Richard Harling, Director for Health and Care

Commissioner: Helen Trousdale, Lead Commissioner

Date Completed: 06/08/21

Final Checklist

Prior to submitting your Community Impact Assessment (CIA), please ensure that the actions on the checklist below have been completed, to reassure yourself / SLT / Cabinet that the CIA process has been undertaken appropriately.

Checklist	Action Completed	Comments/Actions
The project supports the Council's Business Plan, priorities and MTFs.	Yes	
It is clear what the decision is or what decision is being requested.	Yes	
For decisions going to Cabinet, the CIA findings are reflected in the Cabinet Report and potential impacts are clearly identified and mitigated for (where possible).	Yes	
The aims, objectives and outcomes of the policy, service or project have been clearly identified.	Yes	
The groups who will be affected by the policy, service or project have been clearly identified.	Yes	
The communities that are likely to be more adversely impacted than others have been clearly identified.	Yes	
Engagement / consultation has been undertaken and is representative of the residents most likely to be affected.	Yes	
A range of people with the appropriate knowledge and expertise have contributed to the CIA.	N/A	
Appropriate evidence has been provided and used to inform the development and design of the policy, service or project. This includes data, research, engagement/consultation, case studies and local knowledge.	Yes	
The CIA evidences how the Council has considered its statutory duties under the Equality Act 2010 and how it has considered the impacts of any change on people with protected characteristics.	Yes	
The next steps to deliver the project have been identified.	Yes	

Executive Summary

The Executive Summary is intended to be a collation of the key issues and findings from the CIA and other research undertaken. This should be completed after the CIA and research has been completed. Please structure the summary using the headings on the left that relate to the sections in the CIA template. Where no major impacts have been identified, please state N/A.

	Which groups will be affected?	Benefits	Risks	Mitigations / Recommendations
<p>PSED</p> <p>What are the impacts on residents with a protected characteristic under the Equality Act 2010? <i>Highlight any concerns that have emerged as a result of the equality analysis on any of the protected groups and how these will be mitigated. It is important that Elected Members are fully aware of the equality duties so that they can make an informed decision, and this can be supported with robust evidence.</i></p>	All Client Groups	<p>The proposal to extend the current Dynamic Purchasing System (DPS) will ensure the Council can continue to procure care home placements for all residents with eligible needs, including those with a protected characteristic.</p> <p>Through extension and expansion of the number of block booked beds the Council will be able to secure affordable and accessible care home placements for all residents with eligible needs.</p> <p>Procuring a new DPS will ensure that the Council will continue to be able secure suitable care home placements for all residents with eligible needs.</p> <p>Completing a review of the approach to contracting for complex residential and nursing home placements will ensure that the council commission appropriate placements to meet those with complex needs.</p>	<i>None identified</i>	Not applicable
<p>Health and Care</p> <p>How will the proposal impact on residents' health?</p>	All client Groups	<p>Extending the DPS will ensure the continuation of the Council being able to procure care home placements for all residents with eligible needs.</p>		Not applicable

	Which groups will be affected?	Benefits	Risks	Mitigations / Recommendations
<i>How will the proposal impact on demand for or access to social care or health services?</i>		<p>Procuring a new DPS will ensure that the Council will continue to be able secure suitable care home placements for all residents with eligible needs.</p> <p>Through extension and expansion of the number of Block booked beds the Council will be able to secure affordable and accessible care home placements for all residents with eligible needs.</p>		
<p>Economy</p> <p>How will the proposal impact on the economy of Staffordshire or impact on the income of Staffordshire's residents?</p>	Providers	<p>The proposals aim to support the development and stability of the care home market to ensure Staffordshire has a marketplace that can withstand the required changes resulting from Covid 19, and the county has sufficient supply to meet those with the eligible care needs within the most suitable delivery model.</p> <p>Covid-19 has substantially increased requirements for infection control within care homes. a further extension at this time of the Dynamic Purchasing System and a light touch/ porting to the new Dynamic Purchasing Contract agreement will avoid the need for care homes having to complete an onerous tender process at a time when their time and resources are required to ensure they maintain a Covid secure environment for their residents and meet any further arising guidelines and requirements.</p>	<p>It is possible that the long-term demand for care home placements for older people will be lower than pre-Covid-19 and there may be a greater risk that care homes become financially unviable.</p>	<p>The Council has supported care homes throughout the pandemic including with: advice and guidance, supplies of personal protective equipment, infection control expertise and training and extra staff. The Council will continue to support and engage with the market.</p> <p>As part of the commissioning activity the Council is undertaking a risk analysis to inform its pricing strategy and approach to market management. This will inform the Council's market position statement for care homes outlining its intentions to ensure quality, accessibility,</p>

	Which groups will be affected?	Benefits	Risks	Mitigations / Recommendations
		The proposal to increase the number of block booked beds will also support market stability and viability, whilst ensuring affordable and accessible care home placements for those with eligible needs.		affordability, stability and sustainability in order to meet eligible needs of residents.
Environment	All localities	The proposals will build on the use of technology which, amongst other benefits, will increase the use of virtual support to care homes, reducing travel	None identified	None identified
How will the proposal impact on the physical environment of Staffordshire? <i>Does this proposal have any Climate Change implications?</i>				
Localities / Communities	All localities	As part of updating of long term estimates of demand, we will seek the views of local communities about the extent to which their perceptions of care homes have changed as a result of Covid-19, and used these findings to ensure the needs of the community are represented in our planning. By pausing the development of the additional nursing home capacity, this will enable the Council to review demand, perceptions and the effectiveness of the block booked beds across the footprint in meeting eligible needs in the short and long term. This will inform the long-term strategic objectives of the Council.	None identified	Not applicable
How will the proposal impact on Staffordshire's communities?				

Cabinet Meeting on Wednesday 15 September 2021

Treasury Management Report for the Year Ended 31 March 2021



Ian Parry, Cabinet Member for Finance and Corporate Matters said,

“We always look to achieve the best value for money for our tax payers and we do this by running an efficient county council. Coping with the Covid-19 pandemic continues to put additional pressures on resources, but we continue to manage our finances prudently while doing and spending what is required. By using cash reserves rather than borrowing more, we have been able to achieve substantial savings in what still remain challenging times. As well as being prudent, our low risk investment strategy which focuses on lending to low risk institutions, means we have been well placed to deal with challenges arising from the UK leaving the European Union and the ongoing pandemic. We continue to provide advice and support along with access to funding for local businesses, as we work to get our economy back on track. Like many other councils we continue to face financial pressures and uncertainty over long term funding of some services. We will continue to spend and invest where necessary, focusing our efforts and resources on where they are most needed.”

Report Summary:

1. This report describes the County Council’s investment and borrowing activity during 2020/21. It considers both borrowing and investment decisions taken throughout the year considering the interest rates and economic conditions prevailing at the time.
2. These activities involve large sums of money and reflect the huge scale of the County Council’s operations. As at the 31 March 2021, the County Council’s overall debt level stood at £568 million, which reflects capital expenditure decisions made in the past. Investments totalled £279 million.
3. Our treasury management activities were carried out prudently during the year and our policy of funding new borrowing from internal cash balances continues to generate significant savings.

4. As well as being prudent, our low risk investment strategy which focuses on lending to low risk institutions and the need for liquidity and diversification, has ensured the County Council has been strategically placed to deal with market challenges arising from the UK to leaving the European Union and the Covid-19 pandemic.

Recommendation(s)

I recommend that:

- a. the treasury management activities for the year ended 31 March 2021, including the Prudential Indicators outturn detailed in **Appendix 4**, be noted.
- b. Cabinet approve the use of the Minimum Revenue Provision at 31 March 2021 as set out in **paragraphs 31 and 32**.
- c. Cabinet note the current Annual Investment Strategy is considered prudent and sufficiently robust to meet any market challenges created by the UK's decision to leave the European Union and pressures caused by the Covid-19 pandemic and that Officers will continue to monitor the position.

Local Members Interest			
If report is relevant to ALL Members, type 'N/A' into table and delete what is not required			
Insert Name	Members	Insert Division	Electoral

Cabinet – Wednesday 15 September 2021

Treasury Management Report for the Year Ended 31 March 2021

Recommendations of the Cabinet Member for Finance and Corporate Matters

I recommend that:

- a. the treasury management activities for the year ended 31 March 2021, including the Prudential Indicators outturn detailed in **Appendix 4**, be noted.
- b. Cabinet approve the use of the Minimum Revenue Provision at 31 March 2021 as set out in **paragraphs 30 and 31**.
- c. Cabinet note the current Annual Investment Strategy is considered prudent and sufficiently robust to meet any market challenges created by the UK's decision to leave the European Union and pressures caused by the Covid-19 pandemic and that Officers will continue to monitor the position.

Report of the County Treasurer

Reasons for Recommendations:

1. At their meeting on 18 January 2012, Cabinet adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code).
2. Treasury risk management at the County Council is conducted within the framework of the revised 2017 Edition of the CIPFA Code. This requires the County Council to approve a treasury management strategy before the start of each financial year and, as a minimum, provide a semi-annual and annual treasury outturn report. This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.
3. This report provides a summary of the County Council's treasury management activities for 2020/21, in the context of the strategy for the year, which was agreed by Cabinet on 8 January 2020. It considers both the borrowing and investment decisions taken throughout the year in the light of the interest rates and economic conditions prevailing at the time.

External context

4. The financial year 2020/21 will go down in history as being the year of the COVID-19 pandemic. Despite the Government and Bank of England taking rapid action to support the economy and protecting jobs, the first national lockdown in late March 2020 did huge damage to the economy. This caused an economic downturn that exceeded the one caused by the financial crisis of 2008/09. A short second lockdown in November did relatively little damage but by the time of the third lockdown in January 2021, businesses and individuals had become more resilient in adapting to working in new ways so much less damage was done. Vaccination of the UK population began in November 2020 and the pace at which it has been rolled out has been instrumental in speeding up the economic recovery and the reopening of the economy. In addition, the household savings rate has been exceptionally high since the first lockdown in March 2020, so there is pent-up demand and purchasing power stored up for goods and services for when the economy is fully re-opened. It is therefore expected that the UK economy could recover to its pre-pandemic level of economic activity by quarter 1 of 2022.
5. Since the beginning of the pandemic, the Chancellor has implemented repeated rounds of government support to businesses by way of cheap loans and has protected jobs by paying for workers to be placed on furlough. This support has come at a huge cost in terms of the Government's budget deficit, which has ballooned and caused total government debt to now stand at around 100% of GDP. The most recent Budget on 3 March 2021 further increased fiscal support to the economy and employment during 2021 and 2022, which is to be followed by substantial tax rises in the following three years to help to pay the cost for the pandemic. The response of the government has helped strengthen the economic recovery from the pandemic but has an eye on returning the budget to a more sustainable balanced position by 2025/26.
6. The final Brexit agreement on 24 December 2020 eliminated a significant downside risk for the UK economy. The initial agreement only covered trade so there is further work to be done on the services sector where temporary equivalence has been granted in both directions between the UK and EU, which needs to be formalised on a permanent basis. There was much disruption in January 2021 as the increased paperwork to trade with the EU proved to be a formidable barrier; this now appears to have eased as businesses acclimatise but is an area that needs further work to ease difficulties, which are still acute in some areas.
7. The US economy did not suffer as much damage as the UK economy due to the pandemic. The Democrats won the presidential election in November 2020 and have control of both Congress and the Senate. This enabled the Democrats to pass a \$1.9trn (8.8% of GDP) stimulus package in March on top of the \$900bn fiscal stimulus deal passed by Congress in late December. These, together with the vaccine rollout, will promote a rapid easing of restrictions and a strong economic recovery during 2021.

8. Unlike the UK and US, the roll-out and take up of vaccines has been disappointingly slow in the EU in 2021. This has been at a time when many countries have been experiencing a sharp rise in COVID-19 cases and led to renewed lockdowns during March 2021. After the economic recovery in the EU had begun strongly in Q3 of 2020, this now means the forecast is for the EU to not recover to pre-pandemic levels until the second half of 2022.

Long-term borrowing 2020/21

9. The Treasury Management Strategy Report for 2020/21, approved by Cabinet on 8 January 2020, outlined the long-term borrowing strategy for the year, which was:

“to favour using cash in lieu of borrowing.”

10. The ability to borrow new loans was authorised as it was recognised that cash balances could fall as a result of unexpected changes in;
- the capital programme;
 - budget pressures;
 - changes in the County Council’s cash funding; and
 - the repayment of Lender Option Borrower Option loans (LOBOs).

The following table summarises the use of cash for 2020/21:

2020/21	£m
Balance funded from cash brought forward	105.011
New debt	16.660
Minimum Revenue Provision (MRP) *	(20.933)
Loan repayments at maturity	0.034
Loans taken out	0
Balance funded from cash carried forward	100.772

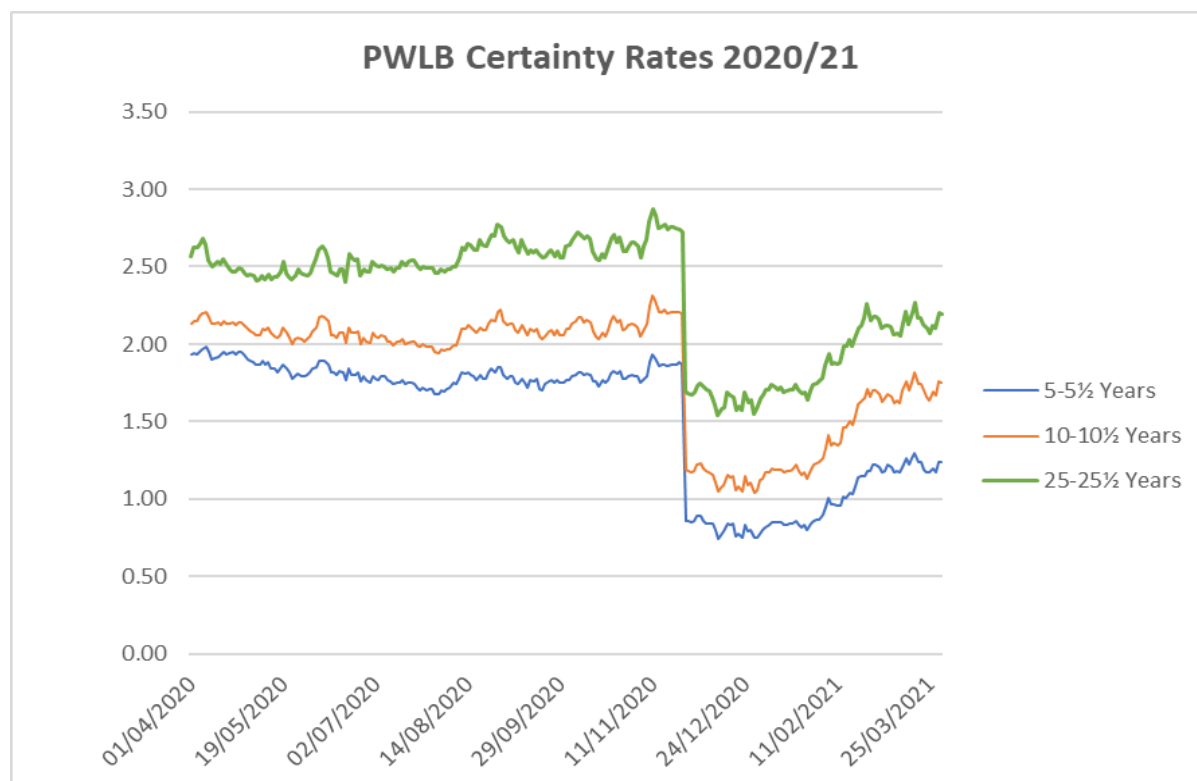
* £19.104m of the MRP is payable by the County Council, but the treasury team manage the entire position, including MRP for transferred services.

11. In 2020/21, the amount of debt funded from internal cash balances has decreased from £105.011m at the start of the financial year to £100.772m by the end of the year. New debt created was less than MRP and there was a small loan amount maturing meaning that the overall use of cash decreased.
12. The strategy of using cash continues to rely upon two main factors:
- interest rates, and in particular the difference between short-term investment rates and longer-term borrowing rates; and
 - having cash available to fund the strategy.

Interest rates

13. The Bank of England's Monetary Policy Committee (MPC) cut Bank Rate from 0.75% to 0.25% and then to 0.10% and embarked on a £200bn programme of quantitative easing QE (purchase of gilts so as to reduce borrowing costs throughout the economy by lowering gilt yields) in March 2020. The MPC then further increased QE by £100bn in June 2021 and £150bn in November 2021, to take it to a total of £895bn. While Bank Rate remained unchanged for the rest of the year, financial markets were concerned that the MPC could cut Bank Rate to a negative rate; this was firmly discounted at the February 2021 MPC meeting when it was established that commercial banks would be unable to implement negative rates for at least six months – by which time the economy was expected to be making a strong recovery and negative rates would no longer be beneficial.
14. Average inflation targeting was the major change adopted by the Bank of England in terms of implementing its inflation target of 2%. The key addition to the Bank's forward guidance in August 2021 was the new phrase in the policy statement that "it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and **achieving the 2% target sustainably**". In effect this indicates, that even if inflation rises to 2%, this may not mean that action is taken by the MPC to raise Bank Rate. This sets a high bar for raising Bank Rate and no increase is expected in the short term. Inflation has been well under 2% during 2020/21; it is expected to peak at over 2% in 2021, but this will be seen as temporary so is unlikely to concern the MPC.
15. The economic global shock caused by the COVID-19 virus has impacted on demand through employment, consumer confidence and on-going social distancing measures. Staffordshire County Council's treasury management advisers expect the Bank of England to maintain Bank Rate at 0.10% until March 2023. It is likely that central banks across the world will follow this approach.
16. Whilst the economic future is not certain, a strategy of using cash remains supported by the current economic situation and the forecast for relatively low interest rates in the future.
17. Longer term interest rates are more relevant when the County Council wants to take up a new loan; these are mainly sourced from the Public Works Loan Board (PWLB) whose loan interest rates vary daily reflecting changes in gilt yields in the UK Government bond market.
18. On the 9th October 2019 the government announced a 1% increase in the interest rate margin on borrowing from the PWLB. Borrowing from the loan facility has increased at a rapid rate in recent years as a result of low interest rates with some borrowers using the money to invest in commercial property to produce a financial return. By taking this action HM Treasury restored interest rates to the levels seen in 2018 to prevent borrowing for commercial purposes.

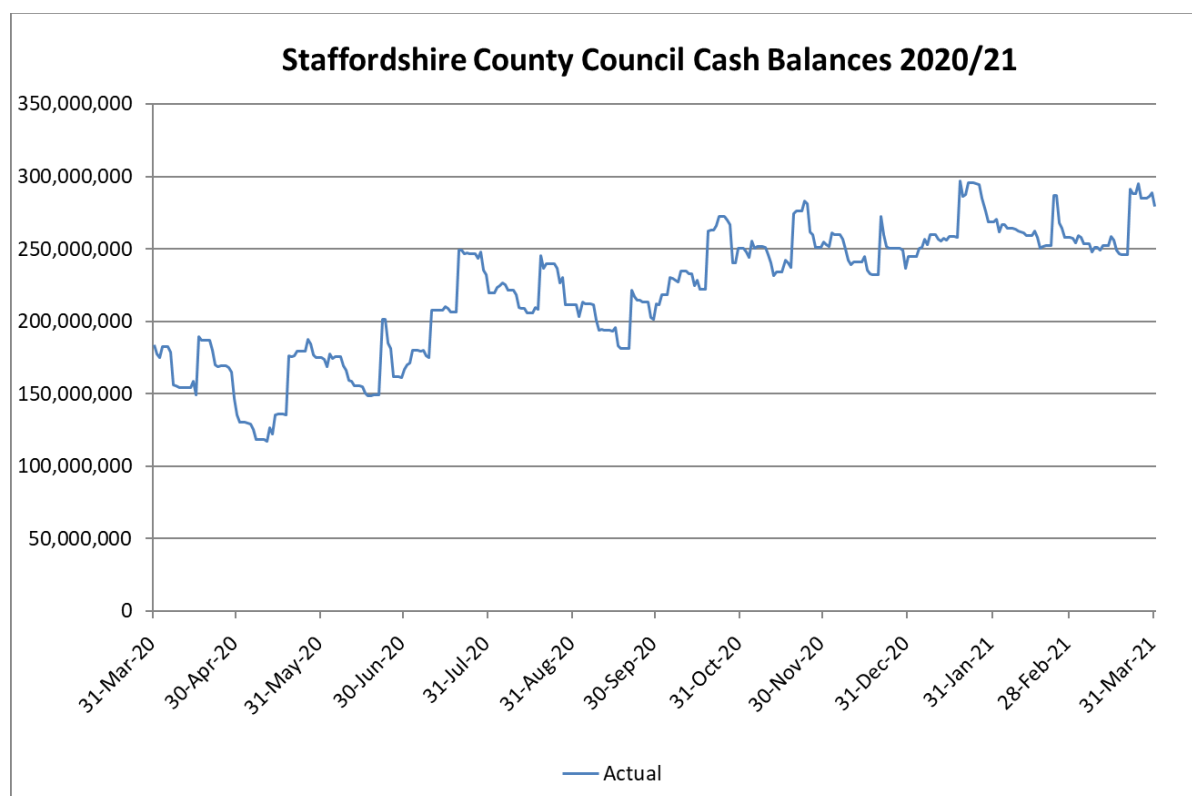
19. On the 11 March 2020 HM Treasury released a comprehensive consultation on future lending terms of the PWLB to codify the approach that should be taken towards lending to public bodies in the future in respect of commercial loans. Following responses this margin was removed 26 November 2020.
20. The following chart shows PWLB interest rates (at certainty rate) for three indicative loans throughout 2020/21:



21. The chart shows rates mainly flat with a slight rise in the first half of 2020/21, before falling dramatically in the second half of the year due to the change in policy by HM Treasury. PWLB loans are priced with reference to gilt yields and the slight rise in PWLB rates (excluding the rate cut) and thus gilt yields reflected an increase in inflation expectations. When Bank Rate is not expected to increase, demand and prices for existing UK Government debt will increase (when gilt prices increase, yields fall). As mentioned in **paragraph 14** expectations for a Bank Rate increase had fallen due to a slow-down in the global economy due to the COVID-19 pandemic.
22. It is important to understand the current relationship between short-term investment rates and longer-term rates. If borrowing in the form of a loan is taken, the proceeds could only be invested at rates significantly lower than the cost of the borrowing. At present this difference would be around 1% to 2% depending on the length of the loan, so avoiding raising new loans can result in significant savings (see **paragraph 25**).

Availability of Cash

23. An equally important consideration to support the policy of using cash in lieu of borrowing, is whether cash is available. The following graph shows the investment balances for 2020/21, which were sufficient to fund the use of cash of £100.772m (see paragraph 12). The drop in cash balances experienced in April and May 2020 were as a result of the County Council accelerating payments to suppliers and care providers to help mitigate the initial financial impact of the COVID-19 pandemic.



24. The following table shows the average interest rate incurred on the County Council's loan portfolio, and an adjustment to this to reflect the use of cash.

	2019/20 %	2020/21 %
Weighted average rate of interest for external loans	4.64%	4.64%
Adjusted for the use of cash	4.02%	3.83%

25. The average rate on external loans is the same as last year as there has been minimal loan maturities in 2020/21 which have not materially affected rates. On average, internally funding from cash balances in lieu of borrowing has saved the County Council £1.734 million in interest payments this year. The interest rate adjusted for the use of cash was lower in 2020/21 as with investment interest

rates falling, the opportunity cost of using the cash in lieu of borrowing became less, and this portion of the County Council's debt was funded at a lower cost.

26. A graph illustrating the maturity profile of the long-term debt at 31 March 2021 is provided at **Appendix 2**.
27. The financing of the County Council's long-term debt at 31 March 2021 is summarised in the following table.

	£m	% of Total
PWLB fixed maturity loans and other	416.585	73
Lender Option Borrower Option (LOBO) loans	51.000	9
Internal funding from cash	100.772	18
Total debt position	568.357	100

Loan rescheduling in 2020/21

28. Movements in interest rates over time may provide opportunities to restructure the loan portfolio in one of two ways:
 - to replace existing loans with new loans at a lower rate (known as loan rescheduling); or
 - to repay loans early, without replacing the loans. This would increase the use of cash.
29. A combination of factors throughout 2020/21 meant that loan restructuring was not financially viable:
 - gilt yields were still near historical lows, which means a large penalty would be payable;
 - Government policy is to apply a margin to the early repayment of a PWLB loan, which further increases the penalty payable; and
 - the gap between short-term interest rates and longer-term interest rates meant that no LOBO loans were called.

Annual provision for principal repayments (Minimum Revenue Provision)

30. Under the Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2008, local authorities are given some flexibility in making an annual revenue provision for the repayment of debt.
31. In accordance with the approved policy, the Minimum Revenue Provision of £20.933 million has been used to reduce the County Council's level of debt.

Annual Investment Strategy - Approved lending list

32. The Annual Investment Strategy (AIS) sets out the parameters for the parties the County Council will lend its money to. The AIS sets out the requirements of government guidance and the CIPFA Code of Practice for Treasury Management. Both documents set out two prime risk issues:

- the security of capital; and
 - the liquidity of investments.
33. The following characteristics underpin the AIS.
- the use of regulation investments and counterparties recommended by the treasury adviser (high level of security);
 - the use of diversified sterling “AAA” Money Market Funds (MMFs) and same day liquidity accounts (high level of security and liquidity); and
 - a maximum duration of 12 months for bank and building society investments (high level of security).

Treasury Management activity 2020/21

Treasury Management Panel

34. The treasury team monitor the financial markets as part of a risk management strategy. Regular reports are provided to the County Treasurer, who chairs the Treasury Management Panel (‘the Panel’) which is attended by senior finance and treasury officers.
35. The CIPFA Guidance on Commercial Property Investment was followed amid a legal concern over local authorities borrowing to invest in property. It was confirmed that the County Council’s commercial investment strategy was based on the use of capital receipts and not funded from borrowing. As a result of the practice of some authorities using borrowing to fund commercial investment, the treasury team have followed a policy of maximising exposure to £5m per local authority.
36. The Panel discussed the high level of County Council cash balances throughout the year and agreed secure ways to hold the funds in line with the Annual Investment Strategy (AIS). The AIS sets out clearly the parameters that the authority uses to invest its money prescribing limits, time frames, institutions and types of investment officers can make. These are discussed monthly by the Panel and County Treasurer and all investments were made in compliance with these limits.
37. The Panel monitored Brexit developments and the implications of Brexit on short-term investments; foreign domiciled Money Market Funds (MMF) were perceived to have some liquidity risk in the event of a no deal Brexit. As an alternative, the Panel ensured the County Council had access to the Government’s DMO deposit account facility with the flexibility to increase limits temporarily for UK domiciled MMFs. As the County Councils investment strategy was viewed as cautious, no additional measures were required.
38. As a result of the COVID-19 pandemic the Panel took the decision to hold more cash on a short-term basis so that the County Council had the ability to respond rapidly to any situation which may have arisen in an uncertain and changing environment. In addition, the cashflow of the Authority was also reviewed regularly, so that an insight into possible pressures could be gained to further inform decisions. As discussed in this report the interest rates for investments fell

sharply as the pandemic affected global market and the threat of negative interest rates was raised by the Bank of England. Whilst this did not happen, some investment returns did fall below 0% but the County Council was able to avoid making deposits in such investment vehicles.

39. During the year, the Panel discussed the treasury reports required for 2020/21 following the revision of the CIPFA Codes of Practice on Treasury Management and the Prudential Code, and revised guidance on Local Government Investments and MRP from the Ministry of Housing, Communities and Local Government (MHCLG). In addition to the reports outlined in **paragraph 2**, the Panel approved the Capital Strategy and the Commercial Investment Strategy.
40. The Commercial Investment Strategy covers the requirements of MHCLG Guidance, in relation to investments held for service purposes, or for commercial profit. Although commercial investments could be considered for 2020/21, the County Council's 2020/21 annual investment strategy remained low risk, with a focus on safeguarding assets by investing in low risk institutions, and with a view to liquidity and diversification. The Panel considered there was no need to change this strategy during 2020/21.
41. The Panel appointed Link as the County Council's treasury management advisors at the end of 2020/21, as a replacement for Arlingclose. This was done through a fully competitive tender process and was compliant with all County Council procurement regulations. Officers have already begun to work closely with representatives from Link.

Credit risk management

42. The following table sets out the credit ratings awarded by credit rating agencies for the counterparties that the County Council was invested with at 31 March.

Credit Rating	31 March 2020	31 March 2021
	£m	£m
AAA	85.2	247.5
'A' range (including 'A+' and 'A-')	4.7	2.1
Local authorities	94.0	30.0
Total investments	183.9	279.6

43. The 2020/21 AIS set the minimum credit-rating of a counterparty at a long-term rating of 'A - ', where available. Counterparties rated below this level were automatically precluded from being on the lending list. From the table above, the highest rating ('AAA') was that given to MMFs, whilst the bank investments were graded in the 'A' range.
44. Whilst most local authorities are unrated by credit rating agencies, both regulations (which list local authorities as acceptable bodies to invest in) and their status as tax raising bodies make them highly creditworthy.

45. A copy of the lending list as at the 31 March 2021 is attached at **Appendix 3**.

Treasury Management Investment transactions

46. Surplus cash is invested in money market instruments to earn interest in accordance with the AIS. All investments must comply with Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 which ensure authorities cannot 'speculate' with public funds, for example, authorities cannot invest surplus cash directly in the stock market.
47. Treasury officers are authorised to invest in approved counterparties without further approval from the Panel or Members. These are called 'Standard Investments' and include the UK Government, short term Money Market funds and banks and building societies recommended by the County Council's treasury advisors.
48. In addition, the AIS allows investments in 'Non-standard Investments' subject to approval from the Panel chaired by the County Treasurer. Collective Investment Schemes are a category within non-standard investments which include Enhanced MMFs.
49. The County Council has an investment in the Royal London Cash Plus MMF; this Enhanced MMF has the same characteristics as same day liquidity MMFs but has a 3-day notice period and recommended investment duration of at least 6 months, due to a longer investment horizon. The Royal London Cash Plus MMF has allowed the County Council to earn an increased yield in a low interest rate environment.
50. The County Council's same day notice MMFs converted from a Constant Net Asset Value (CNAV) to a Low Volatility Net Asset Value (LVNAV) structure in January 2019. The assets of LVNAV MMFs are marked to market, meaning the dealing NAV (unit price) may fluctuate. However, the regulations confirm they will be allowed to maintain a constant dealing NAV provided they meet strict criteria and minimum liquidity requirements.
51. The following table summarises some key facts about the investment transactions over the last two years.

	2019/20	2020/21
Total Transactions in year	£0.934 billion	£0.855 billion
Total Interest receipts	£2.019 million	£1.591 million
Average return on investments	1.46%	0.68%
7-day LIBID* (benchmark)	0.50%	(0.02%)
Additional return generated	0.96%	0.70%

Adjusted without long-term local authority investments	0.67%	0.15%
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* *London Interbank BID interest rate*

52. The previous table shows that the level of total interest receipts in 2020/21 were lower than in the previous year. This reflects the impact of the global pandemic on the financial markets with interest rates falling drastically. The County Council did not make any investments with a negative rate during the year which were offered by some institutions. The total interest receipts figure includes interest receipts from £30m of long-term local authority investments. These were made at an average rate of 4.02%, significantly higher than current market interest rates.
53. The long-term local authority investments were originally approved by Cabinet in 2013, for a maximum of £45m. Although the County Council made a number of short-term local authority investments during 2019/20, no further long-term investments have been made due to a lack of demand from borrowers.
54. Approved investments at 31 March 2021 stood at £279.549 million (£183.910 million at 31 March 2020) and these can be analysed as follows:

Long-term local authority	£m	Term
Derby City Council	7.500	28/11/2030
Derby City Council	7.500	28/11/2031
Redcar and Cleveland Borough Council	7.500	29/11/2032
Redcar and Cleveland Borough Council	7.500	29/11/2033
Banks and building societies		
Lloyds (as banking provider)	2.049	Instant Access
Money Market Funds		
Black Rock	68.000	Instant Access
Insight	49.500	Instant Access
Federated	30.000	Instant Access
Aberdeen	68.000	Instant Access
State Street	12.000	Instant Access
Enhanced Money Market Funds		
Royal London Cash Plus	20.000	2-day notice
TOTAL	279.549	

Of the funds invested, £36.2 million are held on behalf of third parties such as the Midland Engine and the Local Enterprise Partnership. In addition, the County Council has some COVID-19 grant funding which has inflated year end balances.

Compliance with other matters

55. The following other matters can be confirmed:

- (i) In accordance with financial regulations, the Treasury Management Panel, chaired by the County Treasurer (Section 151 Officer) and comprising other senior finance and treasury officers, met regularly to consider treasury matters;
- (ii) All treasury related transactions were undertaken by authorised officers and within the limits approved by the County Council;
- (iii) All investments were to counterparties on the approved lending list current at the time and fully met the requirements of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2008; and
- (iv) The County Council operated within the limits and Prudential Indicators for treasury management as set out in the County Council's Treasury Management Practices except for the indicator relating to variable interest rates. This indicator is calculated based on the highest expected cash balance in the year which was surpassed as a result of a government grant in respect of the Covid-19 pandemic, Local Enterprise Partnership funds and the Midland Engine. This was discussed by the Treasury Management Panel during the year and arrangements made for the secure deposit of funds in line with the AIS. The outturn for all Prudential Indicators is shown in **Appendix 4**.
- (v) As part of the County Council's 2020/21 Strategic Internal Audit Plan, the Treasury Management section was audited during the year. The outcome of the audit was that a Substantial Assurance rating was provided by Internal Audit indicating the areas reviewed were adequately controlled and that internal controls were in place and operating effectively.

List of Background Documents

1. Treasury Management in the Public Services: Code of Practice (CIPFA) (2017)
2. Prudential Code for Capital Finance in Local Authorities (CIPFA) (2017)
3. The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003
4. Statutory Guidance on Local Government Investments – Issued under Section 15(1) (a) of the Local Government Act 2003 (2018)
5. Statutory Guidance on Minimum Revenue Provision – Issued under section 21 (1A) of the Local Government Act 2003 (2018)
6. Localism Act 2011 – Guidance on the General Power of Competence in sections 1 to 6.

Contact Details

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Cabinet 15 September 2021

Equalities implications – There are no equalities implications arising from this report.

Legal implications – There are no legal implications arising from this report.

Resource and value for money implications – The resource and value for money implications are contained within the body of the report.

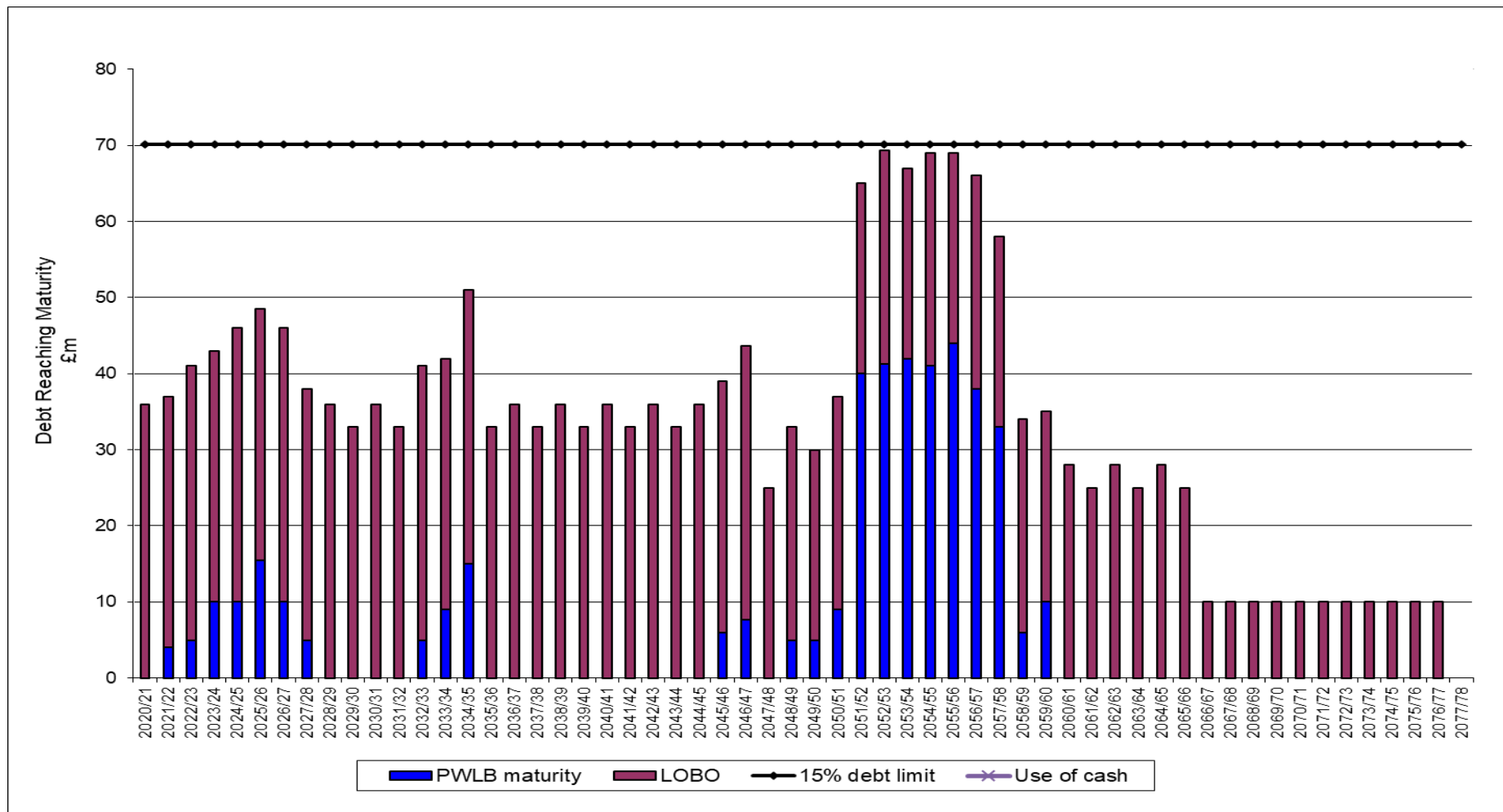
Risk implications – Counterparty, interest rate and refinancing risk arising because of treasury management activity have been considered in the body of this report.

Climate change implications – There are no climate change implications arising from this report.

Health impact assessment screening – There are no health impact assessment implications arising from this report.

Cabinet 15 September 2021

Staffordshire County Council Debt Maturity Profile 31 March 2021



Cabinet 15 September 2021

Approved lending list – 31 March 2021	
	Time limit
<i>Regulation investments</i>	
DMADF account	6 months
UK Government Treasury Bills	6 months
UK local authority	12 months
<i>Banks and building societies</i>	
Barclays	35 days
Lloyds	35 days
Nationwide	35 days
Santander	35 days
<i>MMF's</i>	
Black Rock	same day
Insight	same day
Federated	same day
Aberdeen	same day
State Street	same day
<i>Enhanced MMF's</i>	
Royal London Cash Plus	3-day notice

Cabinet 15 September 2021

Prudential Indicators for Treasury Management

Indicator	Estimate 2020/21	Actual Position at 31/03/21
1. External debt		
Authorised Limit for borrowing	£640m	£468m
Authorised Limit for other liabilities	£252m	£242m
TOTAL	£892m	£710m
Operational Boundary for borrowing	£518m	£468m
Operational Boundary for other liabilities	£252m	£242m
TOTAL	£770m	£710m
External loans	£468m	£468m
<p><i>The Authorised Limit is the maximum level of external borrowing which should not be exceeded. It is linked to the estimated level of borrowing assumed in the capital programme.</i></p> <p><i>The Operational Boundary represents an estimate of the day to day limit for treasury management borrowing activity based on the most likely i.e. prudent but not worst-case scenario.</i></p> <p><i>“Other liabilities” relate to PFI schemes which are recorded in the County Council’s accounts.</i></p>		
2. Interest rate exposures		
a. Upper Limit (Fixed)	£565m	£438m
b. Upper Limit (Variable)	(£183m)	(£246m)
<p><i>The County Council has set upper limits of fixed and variable borrowing and investments. The effect of setting these upper limits is to provide ranges within which the County Council will manage its exposure to fixed and variable rates of interest. Negative figures are shown in brackets; these relate to the ‘high-point’ of investments at a variable rate which are not offset by variable borrowings. The exposure to variable rate movements has been reduced by using cash in lieu of borrowing.</i></p>		
3. Maturity structure of borrowing		
See Graph at Appendix 2		
<p><i>This indicator relates to the amount of loans maturing in specified periods. The overarching principle is that steps should be taken from a risk management point of view to limit exposure to significant refinancing risk in any short period of time. The County Council currently applies the practice of ensuring that no more than 15% of its total gross fixed rate loans mature in any one financial year.</i></p> <p><i>Because this is a complex situation for the County Council, involving PWLB loans, LOBO loans with uncertain call dates and the use of internal cash, specific indicators have not been set. Instead the County Council will manage its exposures within the limits shown in the graph at Appendix 2. This graph shows all LOBO call options on a cumulative basis; in fact, the actual pattern of repayment, although uncertain, will not be of this magnitude.</i></p>		
4. Upper limit for total principal sums invested for longer than a year (from maturity)		
<i>This limit has been set at the total amount that could be invested in non-standard investments as per the County Council’s policy which is the maximum that could be invested for 1 year or over.</i>	£95m	£30m

Cabinet – 15 September 2021

Decisions Taken by Cabinet Members under Delegated Powers

Recommendation of the Leader of the Council

1. That the decisions taken by Cabinet Members under delegated powers, as detailed in paragraph 3 below, be noted.

Report of the Director of Corporate Services

Reasons for Recommendations

2. To inform Cabinet of recent decisions taken by Cabinet Members under delegated powers.

Background

3. Cabinet are requested to note the following decisions taken by Cabinet Members under delegated powers:

Cabinet Member	Decision
Cabinet Member for Education (and SEND)	In approving, in accordance with Government requirements, a variation to the admission arrangements for Community and Voluntary Controlled Schools for 2021/2022 and 2022/23 to ensure that children previously in state care and adopted from outside England and Wales are given equal top priority in oversubscription criteria alongside children currently in care and previously in care from within England and Wales.
Cabinet Member for Health and Care	In approving proposals to relocate and merge Boney Hay and Tamworth Specialist Day Opportunities to Lichfield.

Report author:

Author's Name: Mike Bradbury
 Telephone No: (01785) 276133

List of Background Papers - Cabinet Members Delegated Decision Nos. 529 - 530.

FORWARD PLAN OF KEY DECISIONS

Period: 20 October 2021 - 16 February 2022

The Forward Plan of Key Decisions is prepared on a monthly basis and published at least 28 days before the start of the period covered.

“Key Decisions” are defined as those Executive decisions which are likely:

- (a) to result in the County Council incurring expenditure which is, or the making of savings which are, significant having regard to the relevant budget for the service or function to which the decision relates; or
- (b) to be significant in terms of its effects on communities living or working in an area comprising two or more electoral divisions in the County’s area.

The Forward Plan will contain **ALL** matters which the Leader of the Council has reason to believe will be the subject of a Key Decision to be taken by the Cabinet. It may also include decisions that are not key decisions but are intended to be determined by the Cabinet. Part of the Cabinet meetings listed in this Forward Plan may be held in private where a report for the meeting contains exempt information under Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 (as amended) and that the public interest in withholding the information outweighs the public interest in disclosing it. If you would like to make representations about any particular decision to be conducted in private then please email: michael.bradbury@staffordshire.gov.uk. Such representations must be received in advance 6 clear working days before the date on which the decision is scheduled to be taken.

The Membership of the Cabinet consists of:

Leader of the County Council – Alan White
Deputy Leader and Cabinet Member for Economy and Skills – Philip White
Cabinet Member for Health and Care– Julia Jessel
Cabinet Member for Environment, Infrastructure and Climate Change – Simon Tagg
Cabinet Member for Commercial Matters – Mark Deaville
Cabinet Member for Highways and Transport – David Williams
Cabinet Member for Finance and Resources – Ian Parry
Cabinet Member for Communities and Culture – Victoria Wilson
Cabinet Member for Children and Young People – Mark Sutton
Cabinet Member for Education (and SEND) – Jonathan Price

A copy of the Forward Plan of Key Decisions may be inspected, free of charge, at the Member and Democratic Services office, County Buildings, Martin Street, Stafford, during normal office hours Monday to Friday. A copy of the notice will also be available on Staffordshire County Council’s Website at www.staffordshire.gov.uk.

Documents submitted for decision will be a formal report which will be available on the County Council’s website at least 5 clear working days before the date the decision is to be made, unless that report is subject to any prohibition or restriction on its disclosure. Other relevant background documents used in compiling the report will also be made available in the same way unless they are subject to any prohibition or restriction on their disclosure.

Minutes of Cabinet meetings will be published within three working days and will be subject to call-in. The call-in period lasts for three working days. If the decision is not called-in it will be implemented on the fourth working day. Special urgency items are exempt from call-in.

John Tradewell
Director of Corporate Services

Forward Plan of Key Decisions
Period: 20 October 2021 - 16 February 2022

NOTE:

- (1) The Forward Plan of Key Decisions sets out all Key Decisions intended to be made by Cabinet during the above period.
- (2) The Cabinet date can be provisional and items may move/roll forward to another meeting date but this will be monitored.
- (3) Items should remain on the Notice until a decision is made by Cabinet or is formally removed.
- (4) Where there is an intention to make a decision in private the exemption paragraph relied upon will be included within this notice

Anticipated Date of Decision	Public or Private Decision	Title and Description	Background Documents	Consultation	Contact Officer
October 2021	Public	<p>Impact of COVID-19 on SCC Communities, Economy and Organisation and Recovery Progress - Update October 2021 and Way Forward (Leader of the Council (Alan White))</p> <p>The impact of COVID-19 on Staffordshire since October 2020, the SCC Recovery approach and progress, and the way forward for SCC to Living with COVID</p>		N/A	<p>Janene Cox OBE (Tel: (01785) 278368) Service Area: All</p>
October 2021	Public	<p>Staffordshire Bus Strategy - Bus Service Improvement Plan (Cabinet Member for Highways and Transport)</p> <p>Approval of Bus Service Improvement Plan</p>		Prosperous Overview and Scrutiny Committee	<p>Clive Thomson (Tel: 01785 276522) Service Area: Connectivity and Sustainability</p>
October 2021	Public	<p>Integrated Performance Report - Quarter 2 2021/22 (Cabinet Member for Finance and Resources (Ian Parry), Leader of the Council (Alan White))</p> <p>The quarterly Integrated Performance Report provides an overview of Staffordshire County Council's progress, performance and financial position in delivering against our Strategic Plan and Delivery Plan.</p>		N/A	<p>Kerry Dove, Rob Salmon (Tel: (01785) 27 6354) Service Area: Corporate Services</p>

Anticipated Date of Decision	Public or Private Decision	Title and Description	Background Documents	Consultation	Contact Officer
October 2021	Public	<p>Supplementary Capital Programme for Schools 2021/2022 (Cabinet Member for Education (and SEND) (Jonathan Price))</p> <p>Schedule of maintenance and priority projects additional to those approved by Cabinet in March 2021. Works will be procured via the County Council's Maintenance Framework agreement.</p>		N/A	Ian Turner (Tel: 01785 277228) Service Area: Strategic Property
October 2021	Public	<p>Climate Change Annual Report and Climate Change Action Plan 2 (Cabinet Member for Environment, Infrastructure and Climate Change (Simon Tagg))</p> <p>To receive the Climate Change Annual Report and to Approve Climate Change Action Plan 2</p>		Prosperous Overview and Scrutiny Committee	Clive Thomson (Tel: 01785 276522) Service Area: Sustainability
October 2021	Public	<p>Adult Learning Disability 2022 Community Offer: Update on Learning Disability Residential Services Directly Provided by Staffordshire County Council (Cabinet Member for Health and Care (Julia Jessel))</p> <p>In October 2019, Cabinet approved the continued direct provision of residential care in Lichfield; providing 15 beds for countywide use. The existing Hawthorn House facility is in a poor state of repair and does not offer the best living environment for residents or value for money for taxpayers. Investing in a new development for residential services will support the modernisation of the service and will enable greater use of technology to empower independence for residents and modern working practices for staff. The paper will update Cabinet on an options appraisal</p>		N/A	Kelly Gray () Service Area: Provider Services, Health and Care

Anticipated Date of Decision	Public or Private Decision	Title and Description	Background Documents	Consultation	Contact Officer
		undertaken by Officers, seeking approval to proceed with the recommendation.			
October 2021	Public	Nexus Trading Services Limited - Annual Report 2020/2021 (Cabinet Member for Commercial Matters (Mark Deaville)) To provide an update of the activities and performance of the Local Authority Trading Company.		N/A	Dr Richard Harling MBE (Tel: 01785 278700) Service Area: Health and Care
October 2021	Public	Formal Report of the Local Government and Social Care Ombudsman (Cabinet Member for Education (and SEND) (Jonathan Price)) Cabinet are being asked to consider the formal report issued by the Local Government and Social Care Ombudsman.		N/A	Tim Moss (Tel: 01785 277963) Service Area: SEND
October 2021	Public	Branston Locks Primary - Proposed 2FE and Associated S106 Contributions (Wave School) (Cabinet Member for Education (and SEND) (Jonathan Price)) Proposals for the new Branston Locks Primary School in Burton.		None at this stage	Ian Turner (Tel: 01785 277228) Service Area: Strategic Property
October 2021	Private	Dry Mixed Recycling Treatment - April 2022 (Cabinet Member for Environment, Infrastructure and Climate Change (Simon Tagg)) Budget approval for arrangements post-April 2022		N/A	Clive Thomson (Tel: 01785 276522) Service Area: Connectivity and Sustainability
November 2021	Public	Treasury Management Half Yearly Report 2021/22 (Cabinet Member for Finance and Resources (Ian Parry)) Report detailing the treasury management activity of Staffordshire County Council for the first half of 2021/22.		N/A	Rob Salmon (Tel: (01785) 27 6354) Service Area: Finance

Anticipated Date of Decision	Public or Private Decision	Title and Description	Background Documents	Consultation	Contact Officer
November 2021	Public	<p>Integrated Service Model for In-House Day Opportunities and Respite (Cabinet Member for Health and Care (Julia Jessel))</p> <p>Since February 2021, Provider Services have been designing a new service model for day opportunities and respite. This work has been undertaken in partnership with staff from across the services and parents and carers of service users. Using the principles of co-design, the group have designed an integrated service model which is flexible, customer-centric and financially sustainable. This report will provide the details of the proposed service model for Cabinet's approval. This report will compliment the respite options appraisal also being submitted to Cabinet by Commissioning.</p>		Staff from day services, respite, parents, carers of service users	Kelly Gray () Service Area: Provider Services
November 2021	Public	<p>The Future of Replacement Care Services (Learning Disabilities) (Cabinet Member for Health and Care (Julia Jessel))</p> <p>Recommendation for the future delivery of replacement services for adults with learning disabilities in Staffordshire following an options appraisal and six week period of public engagement.</p>		Six weeks public engagement a) Carers, b) Professionals: Assessment & Care Teams, c) Providers: Independent, Third Sector and Voluntary Services	Andrew Jepps (Tel: 01785 278557) Service Area: Health and Care
December 2021	Public	<p>IA2609 Framework for Responsive Property Maintenance and Day Works (Cabinet Member for Commercial Matters (Mark Deaville))</p> <p>The objective of the report is to establish approval for the contract award to a</p>		N/A	Ian Turner (Tel: 01785 277228) Service Area: Finance and Resources

Anticipated Date of Decision	Public or Private Decision	Title and Description	Background Documents	Consultation	Contact Officer
		<p>framework for low value reactive property maintenance works/services for Staffordshire County Council buildings. For the period 01 June 2022 until 31st May 2025 with a 12 month extension to 31st May 2026 following an open tendering process. The reactive agreement shall both support and dovetail into the existing Planned Maintenance / Minor Works framework agreement (ref IA1750) which tends to operate at project values greater than £5,000. There is a constant need to deploy much smaller organisations to attend to the most basic of property maintenance for values of work much less than £5,000.</p>			
February 2022	Public	<p>Integrated Performance Report - Quarter 3 2021/22 (Cabinet Member for Finance and Resources (Ian Parry), Leader of the Council (Alan White))</p> <p>The quarterly Integrated Performance Report provides an overview of Staffordshire County Council's progress, performance and financial position in delivering against our Strategic Plan and Delivery Plan.</p>		N/A	Kerry Dove, Rob Salmon (Tel: (01785) 27 6354) Service Area: Corporate Services

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