

Cabinet**Friday, 28 September, 2007, County Hall, Worcester (10.00 a.m.)****Minutes****Present:**

Dr G H Lord (Chairman), Mr S J M Clee, Mrs E A Eyre, Mr S E Geraghty, Mr W P Gretton, Mr A I Hardman, Mr D W Prodger.

Also attended:

Mrs S Askin, Mr A N Blagg, Mr M H Broomfield, Mr J W Buckley, Mrs M L Drinkwater, Mr B P Gandy, Mr P A Mould, Mr E J Sheldon, Mr C T Smith, Mr W G Stewart, Mrs E B Tucker and Mr G C Yarranton

Available papers:

The members had before them:

- A. The Agenda papers (previously circulated); and
- B. The Minutes of the meeting of the Cabinet held on 31 August 2007 (previously circulated).

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

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

The following members declared a personal, non-prejudicial interest:-

Member	Item No.	Interest
Mrs S Askin	8	Governor of Northwick Manor Infants' School
Mr S E Geraghty	10	Member of Worcester City Council (although not participating in the decision-making on this item at the City Council)
	11	Director of Malvern Hills Science Park

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

There was no public participation.

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

RESOLVED: that the minutes of the meeting held on 31 August 2007 be confirmed as a correct record and signed by the Chairman.

**715. Maintenance of
Unclassified
Roads
(Agenda item 4)**

The Cabinet had before it a report which recommended additions to the Council's Capital Programme for both 2007/2008 and 2008/2009 for expenditure on the improvement of the condition of urban unclassified highways.

The Director of Environmental Services introduced the report which made reference to previous work undertaken by a Scrutiny Task Group to assess Highways Maintenance and to the work of Professor Snaith of Birmingham University on how such maintenance work could be prioritised. The Scrutiny Report recommendations had been welcomed by the Cabinet in June 2007 and the response of the Cabinet Member with Responsibility was adopted as the way forward.

An Asset Management approach involved a triage of the road network into green, amber or red conditions. Many unclassified roads will deteriorate further unless urgent remedial work is taken. Urban unclassified roads represented a sound basis for delivering significant embedded improvement.

More work would also be done to ensure utilities harmonised their activities with the Council's to protect new road surfaces.

Financial and procurement issues were also covered in the report.

The revenue consequences of funding the borrowing costs of the loan to pay for the roads improvement boost will be met from the existing roads maintenance revenue budget and there will be no overall growth in the Council's annual revenue budget requirement as a result of this initiative.

A discussion ensued, during which the following principal points were raised:

- the results of the Scrutiny exercise had produced valuable information and a new direction. This was now being pursued. Whilst the investment suggested by the Scrutiny exercise was beyond the Council's means at the moment, it was believed that the recommendations before Cabinet were a very useful and healthy first major step to improving the county's roads
- a staged approach to the investment required for upgrading the county's roads was a sensible and

prudent way forward, allowing for a process of assessment and evaluation to be built in

- that more work needed to be done on public perception and understanding, to sell the Council's approach to the people who actually used the roads
- the Council also had to explain that funding of repairs to rural roads was not being sacrificed and the level of activity here would be maintained
- in response to a specific question about how footways were to be dealt with in this improvement process, the application of a "tidy streets" approach was outlined
- that some form of briefing paper for Councillors might be useful, as this would allow them to answer constituents' immediate questions
- the new direction had also to be seen in the wider context of getting best value and best results for the expenditure. Members were reminded that final approval was a matter for full Council.

RESOLVED TO RECOMMEND TO

COUNCIL: that the sum of £3.5m be added to the County Council's capital programme in the current year and the sum of £11.5m be added to the County Council's capital programme for 2008/09 for expenditure on the improvement of the condition of urban unclassified highways.

716. Worcester Library and History Centre – Project Update (Agenda item 10)

The Cabinet had before it a report setting out progress towards the achievement of a project which would bring together, in partnership, the County Council's Public Library, History Centre and Archaeology services with the University of Worcester's new Academic Library and the County Council/City Council Customer Contact Centre.

In the light of very recent developments, the Director of Corporate Services amended the recommendation in para 1(b), namely that the associated capital costs outside the PFI contract were £6.62m rather than £6.4m with revenue costs increased by £20,000. The figures set out in the report therefore needed to be adjusted to reflect these additional costs. He explained that the Joint Project Team (JPT) had been working with the Council's appointed advisors to progress the many areas of work required to bring forward a large and complicated project of this nature. This had included working closely with the University of Worcester, Advantage West

Midlands (AWM) and Worcester City Council in order to maximise the huge regeneration potential that this project had in forming part of the new Learning Quarter in the St Clements Gate area of the city.

Land assembly was taking place in order to be able to meet the objectives of the project and to meet both the partners' own ambitions and the demands of the planners to build a high quality landmark building, set within an urban context of safe, high quality public open space.

Agreements had been reached with the City Council for the purchase of parts of the surrounding car park and with Transwipers for the purchase of their building, which would be required in order to connect the WLHC with the Crown Gate shopping centre via a bridge across The Butts.

The Director of Corporate Services was able to announce that agreement had recently been reached to acquire one final parcel of land, occupied by the Coomber Electronics factory.

The report went into some detail on shortlisting processes for the consortium to design and build the scheme. The Joint Project Team and the Council's advisors had concluded the evaluation and completed a shortlist of 3:

- AMK (Alfred McAlpine/Kajima)
- Galliford Try Plc
- Information Resources Kier Project Investments

The report gave detail on the finalised implications of the Scheme. Estimates of capital expenditure outside the PFI contract had risen by £1.5m. overall, primarily on land purchases and ground remediation. The costs were to be funded from 2 sources: Advantage West Midlands (AWM) grant and partners' contributions.

AWM funding had been confirmed at £7.0m, with £0.2m originally allocated against the PFI contract now attributed to non-PFI costs. A sum of £0.2m had been included from the income received from Worcester City Council for the short-term lease back of the Butts Depot, representing interest on the consideration already paid for the site from AWM grant. The University share of the cost increase was £0.2m. The resulting share of the additional cost to the County Council would be £0.9m (to revised total of £6.4m) and would be funded from the following capital resources:

- £500,000 – ringfencing of capital receipt from 150 year lease of part of Warndon Depot to Worcester City Council. This is a direct consequence of the project, relocating the City refuse vehicles from The Butts
- £302,000 – transfer from the Land Assembly Opportunity Site Purchases capital fund 2006/07.

The report had indicated that this left a balance of £110,000 to be funded by prudential borrowing. The revenue cost of this had been estimated at £9,900 per annum.

The report also indicated that when the Cabinet had considered the OBC in September 2006, the County Council's contribution to the unitary charge payable to the PFI contractor was £1.225m annually. The Cabinet had approved the inclusion of this sum in its medium- to long-term financial plan. With the addition of estimated annual revenue costs outside of the PFI contract, the total cost had been estimated at £2.039m (at 2006/07 prices).

The estimated cost of building work had risen by £1.1m as a result of inflation costs from the delay to the programme, caused by the extended land acquisition process. This additional cost is passed on to the Project Partners through an increased annual Unitary Charge payment to the PFI contractor over the 25-year period.

The report indicated that the Project Partners' financial advisors, Ernst and Young, had updated the PFI financial model to estimate the revised annual revenue cost. The model included the impact of the £1.1m cost of programme slippage. It has also reflected revised funding terms, based on current market conditions, which had more than offset the inflation costs. The Council's revised contribution to the annual unitary charge had therefore reduced by an estimated £7,000 to £1.218m at 2007/08 prices. Price inflation on other revenue budgets add a further £18,000 giving a revised total revenue cost to the Council of £2.050m at 2007/08 prices.

The report suggested that other initiatives, amounting to £193,000, might be offset against the total estimated revenue cost of £2.050m and therefore reduce the net revenue cost to the Council to £1.857m.

The JPT were continuing to work on a number of further opportunities that are likely to reduce the burden to the Project Partners still further. As indicated to the Cabinet, the figures set out in the report will need

revising in the light of the financial information reported by the Director of Corporate Services.

A discussion ensued and the following principal points were made:

- Members spoke of the trail-blazing nature of the project and the benefits this would have, in terms of a world class library and history centre and the regeneration of the particular area of the city, for the citizens of Worcester and for the inhabitants of the county as a whole
- that officers were to be congratulated on the progress being made and for their efforts in seeking to secure further funding streams for this outstanding project
- that members would benefit from a more detailed breakdown of the costs. The Cabinet Member with Responsibility for Corporate Services undertook to provide this for members in the form of a briefing note prepared by Director of Corporate Services. Members had however to be aware that some aspects would still be commercially sensitive and should respect this confidentiality, and some details may not be disclosable
- that by 2011 the city and county would benefit from such a far sighted and innovative approach to service provision.

RESOLVED that :

- (a) the recommendation from the Joint Project Board to shortlist the 3 consortia as noted and move onto the next phase of the project be approved;**
- (b) the inclusion of the Worcester Library and History Centre (WLHC) in the Council's medium- to long-term financial plan continues to be supported, including the commitment to support the total estimated annual revenue cost to the County Council of £2.050m (2007/08 prices) and the associated capital costs outside the PFI contract of £6.62m;**
- (c) the progress made to identify additional revenue funding be noted, including endorsement of the reallocation of savings of £193,000 arising from the rationalisation of**

property from the reuse of the County Hall Record Office and the lease of short term surplus archival capacity at WLHC; and

- (d) the allocation of £500,000 of capital receipts arising from the 150 year lease of part of Warndon Depot and the transfer of £302,000 from the Land Assembly capital budget to support the increased capital costs of the project identified in this report be approved.

717. Worcestershire Partnership Compact – Protocol on Funding and Procurement and Volunteering Code of Practice (Agenda item 5)

The Cabinet had before it a report on protocols which set out how the voluntary and community sectors could work with the Council to achieve the mutual objective of delivering best value services and support for the local community.

The Director of Planning, Economy and Performance explained that Cabinet had previously agreed the overarching principles of the Worcestershire Compact, which was part of a national initiative to improve partnership-working arrangements between the public and voluntary and community sectors, and how these documents would aid that process.

The protocols were intended to be models of good practice for organisations signed up to the Worcestershire Compact with the aim of supporting and strengthening the ongoing development of partnership-working relationships.

A discussion ensued during which the following principal points were made:

- this was part of the Council's commitment to better working with the voluntary and community sector
- work still remained to be done but the Council was moving in the right direction
- the adoption of the protocols would not compromise other work being done by the Council.

RESOLVED that the Worcestershire Partnership's Compact Protocol on Funding and Procurement and the Volunteering Code of Practice be endorsed.

718. Pershore Learning Disability Day Service and Worcester City Learning Disability Day Services – Consultation on the options for the future (Agenda item 6)

The Cabinet had a report before it setting out the results of an initial consultation in respect of Pershore Day Service for people with a learning disability. The report described the present configuration of day services for people with a learning disability and the usage rates for such services in Pershore and Worcester.

The Director of Adult and Community Services explained that whilst the initial consultation on the future of Pershore Day Centre had focussed largely on what was provided within Pershore, feedback had also highlighted the link with the services provided within the city of Worcester. As consultation work had continued, and investigative work undertaken on day centres in Worcester, it had become much clearer that the future of Pershore Day Centre, and consideration of the needs and choices of families using the Pershore Day Centre were inextricably linked to the future of day centres in Worcester for the reasons set out.

The Director of Adult and Community Services was of the view that the most appropriate way forward would be to defer any final decision on the future of Pershore Day Centre until further work and consultation had taken place with regard to the 2 centres in Worcester, Cherry Orchard and Perryfields. To this end she explained that she had appended a draft consultation document to the report setting out the details of options and the process to be undertaken.

The Director of Adult and Community Services concluded by seeking approval for the Consultation Document. Feedback would inform a further report for consideration in February 2008 following the completion of the further consultation. This report would include the business case to support whatever recommendation was made following the consultation.

It was noted that the Directorate had consistently used budget allocations for comparative data. It was also recognised that there was a projected underspend of £40,000 in respect of Pershore because of staff vacancies and such possible misunderstandings would be ironed out before the final publication of the consultation document.

A discussion took place during which the following principal points were made:

- concern was expressed that the protracted consultation process was causing uncertainty for service users and their families and the Council had to continue to bear that in mind as this process went forward

- any decision had to be made on the proper facts so the Council should reappraise how projections of costs and savings were formulated when looking at the next round of consultation. Suggestions were made that due weight had to be given to any budget underspendings, staff vacancies and other financial aspects which might alter the perception of the viability of these services
- that payments by clients should also be taken into account, as should their particular need and the ability of any alternative provision proposed to meet that need. The Council should be aware of making true comparisons and be wary of 'average' figures when considering this particular service and users of it
- that the Director of Adult and Community Services should finalise the detail of the final document used for the consultation after considering the concerns of members expressed at the meeting.

RESOLVED that:-

- (a) the findings of the initial consultation process undertaken in respect of Pershore Day Service and its relationship to the Day Services within Worcester City be noted;**
- (b) the formal consultation document be approved but that the Director of Adult and Community Services be authorised to finalise its detail;**
- (c) a period of formal consultation for a period of up to 3 months on the options for the future of Pershore Day Service and Worcester City Day Services (Perryfields and Cherry Orchard) be approved; and**
- (d) a final report be brought to Cabinet on the future of Pershore Day Service, Perryfields and Cherry Orchard Day Services for consideration following that consultation.**

719. Options for the future use of Dingleside Middle School, Redditch – Results of Consultation (Agenda item 7)

The Cabinet had before it a report setting out the results of a consultation undertaken between 1 July 2007 and 3 August 2007 on the future of Dingleside Middle School in Redditch.

The Director of Children's Services introduced the report and indicated the background to the proposal to close Dingleside Middle School, how the consultation had been undertaken and the level of response received. The Council had received 273 responses; 229 response

forms, 32 e-mails and 12 letters, with many of the response forms having additional sheets or letters attached. In addition, 2 petitions were received.

The report covered the issues raised during the consultation which included

- the context, scope and processes of the consultation
- those in favour of keeping the school open
- the possibility of federation with another school
- those in favour of closure
- timing of any closure
- catchment area changes.

The report contained the Director of Children's Services' formal response to the consultation which covered amongst other things:

- the current situation at Dingleside Middle School with regard to staffing and pupil numbers
- the context, scope and process of the consultation
- the reasons for recommending closure
- local demography and the issue of school places. The Director of Children's Services covered topics such as the Regional Spatial Strategy, immigration and capacity in other middle schools
- financial viability, staffing and standards
- reasons for not recommending other options
- meeting the aspirations of "Every Child Matters"
- management of change.

The report also made clear that as part of the consultation undertaken in July/August 2007 further information had come to light which suggested there would be merit in another round of consultation on a different option for changes to the current catchment area. Such a course of action had been included in the recommendations before Cabinet.

A discussion took place during which the principal points

raised were:

- the closure of any school was a sad time but the opportunity now existed for the Council, by consulting on the so called Option 3, to ensure that the affected pupils had the best possible outcome should closure be confirmed
- as part of the above consideration it was suggested that the transport implications be examined closely to ensure that pupils' absenteeism rates did not increase, causing further problems
- members explored whether potential further work could be undertaken on federation and the opportunities and solutions that might offer. The Director of Children's Services stated that such an approach had been considered but results of preliminary soundings had been disappointing and which had not encouraged further investigation. The Director of Children's Services did take the opportunity to set out some details of other work being undertaken in the Woodrow area
- it was suggested that the date in the recommendation under paragraph 1(f) (where it referred to the deadline for application for places in Year 5 in Bromsgrove and Redditch Middle Schools in September 2008) be amended so that it took account of the start of the Spring Term and did not further hamper parents returning preference forms by falling within a main holiday period
- the views of the Principal of Kingsley College, which members of the Cabinet had received personally, be taken into account as part of the consultation process
- the Chairman emphasised that no final decision was yet being taken on the future of the school as the process required a formal notice to be published and the results brought back to the Cabinet for its further consideration.

RESOLVED that:

- (a) the results of the consultation undertaken between 1 July 2007 and 3 August 2007 be noted;**
- (b) as a result of the above consultation the proposal to close Dingleside Middle School with effect from 31 August 2008 be supported;**

- (c) the Director of Children's Services be authorised to publish the necessary statutory notices for this closure;
- (d) a new Option 3 for changes to the current catchment area for Dingleside Middle School, as set out in the report, be considered alongside Option 1 offered in the first consultation document in a further round of consultation to take place during October/November 2007;
- (e) the results of this second consultation on catchment area changes be reported to the Cabinet on 6 December 2007 for a final decision and that any changes take effect for admissions to schools for the academic year 2008/09 and beyond; and
- (f) as a consequence of this further consultation the deadline for applications for places in Year 5 in Bromsgrove and Redditch Middle Schools for September 2008 be extended to a date in early January 2008.

720. Northwick Manor Infants' and Junior Schools, Worcester City (Agenda item 8)

The Cabinet had before it a report setting out the results of a consultation undertaken between 10 June 2007 and 31 July 2007 on the proposal to amalgamate Northwick Manor Infants' and Junior Schools to form a new all-through primary school.

The Director of Children's Services indicated the background to the proposal, how the consultation had been undertaken and the level of response received. The Council had received 103 responses by the closing date, 82 response forms (many of which had additional pages or letters attached) and 21 individual e-mails or letters.

Of these responses, 28 were in favour of the amalgamation and 71 were not. 3 responses did not state a preference, recognising arguments from both sides.

On the question of the method of amalgamation if approved:

- 45 preferred closing both schools even if this meant a competition
- 16 preferred closing one school and expanding the remaining school
- 44 did not respond to this question. Many of these were because their response was not on the standard response form or because the

respondent was opposed to the amalgamation and, therefore, chose not to respond.

The report gave a detailed analysis of the respondents' arguments.

The report contained the formal response of the Director of Children's Services to the consultation on the proposed amalgamation. This covered, amongst other things, the level of support for the proposal, the County Council's policy on the amalgamation of Infants and Junior schools, the suitability of the school site, financial considerations, catchment area considerations and how any amalgamation might be implemented.

A discussion took place during which the principal points raised were:

- the local member expressed views as a Governor of Northwick Manor Infants' School which were against the proposed amalgamation. These mainly centred on the present achievements of both schools, the size of a combined school, the ethos of the Infants' school and the wishes of the majority of parents that the status quo be maintained. She also spoke of the present and continuing spirit of collaborative working which presently existed between the 2 schools
- the policy framework on the amalgamation of Infants' and Junior Schools was set out. It was also confirmed that the Northwick Manor Schools were the last same-site infants' and junior schools which had not been amalgamated. It was suggested that officers might also usefully apply lessons learned from the amalgamation of other Infants' and Junior Schools in the County
- some concern was expressed about the size of the new school, the educational benefits of adopting the course of action proposed and the potential to damage the results achieved by the 2 separate schools in recent Ofsted reports
- a positive feature to come out of the consultation was the amount of support in the community for a local school.

RESOLVED that:

- (a) the results of the consultation undertaken between 10 June and 31 July 2007 be noted;**
- (b) following the consultation, the proposal to**

amalgamate both schools to form a new all through primary school (by closing both schools and opening a new school for 1 September 2008) be supported;

- (c) the Director of Children's Services be authorised to apply to the Secretary of State for Children, Schools and Families for consent to publish proposals to establish a community primary school without the need for a competition;
- (d) if such consent is granted by the Secretary of State, that statutory notices be published for the proposed closure of Northwick Infants and Junior Schools on 31 August 2008 and the proposed establishment of a new 3 Form Entry community primary school (PAN 90) from 1 September 2008; and
- (e) if such consent is not granted a report be brought back to the Cabinet so that further consideration can be given to the alternative approach of establishing a 3 FE community primary school, by the closure of one of the schools and the expansion of the other.

721. Money Matters (Agenda item 9)

The Cabinet had a report before it on various financial matters which included

- **Financial progress in the current financial year**

(a) Staff Pay Offer

The local government employers had offered trade unions representing staff a pay award from 1 April 2007 of 2.475%, and the Director of Financial Services corrected his report to refer to an increase to £6 per hour for the lowest paid staff. The total addition to the pay bill would be 2.5% or £0.6 million. This was more than the Treasury guideline figure of 2%. The offer had not yet been accepted. The Council's budget planning was founded on Treasury guidelines.

(b) Latest estimate of the cost of the immediate response to the summer floods

Costs were likely to be in the region of £0.3 million and would not qualify for Government funding as costs had yet to reach the qualifying threshold of £1.089 million.

(c) Money Market activity

Over the summer, short-term interest rates had increased. This had benefited the earnings on day-to-day money

market operations and a favourable variance of around £1 million was forecast.

(d) Adult and Community Services

Adult and Community Services' spending remained broadly in line with budget with no major variations anticipated come the end of the financial year. However, the extent of budget reductions necessary to produce a balanced budget, reported in detail to Cabinet in May, together with ongoing demand for services, required significant ongoing management, not least in terms of dealing with the issues raised by concerned service users and carers. It was expected that the concerted efforts to secure ongoing economies and the consequences of change would continue throughout the financial year.

(e) Flood damage longer term remedial costs – roads

The Cabinet on 31 August considered the scale of the damage to the road network. The latest estimate of the remedial costs was still in the region of £6 million. The Department for Transport (DfT) had been informed formally of this cost by the deadline of 17 September 2007.

In normal circumstances the DfT would expect the Council to adjust its priorities and meet £1.5 million of this cost. The DfT was considering its position in the light of all the bids for funding of remedial works. A decision by Ministers was expected during October.

(f) Local Authority Business Growth Incentive Scheme - use of additional grant allocation

On 8 March 2007 it was reported to Cabinet that the Council had been allocated £0.886 million through the Local Business Growth Incentive Scheme (LAGBI). The Council's budget for 2007/08 had already included £0.550 million LAGBI grant. The Cabinet had resolved that the favourable variance of £0.336 million be held in reserve.

Following a judicial review of the way grant allocations were calculated, the Department for Communities and Local Government (CLG) had announced additional LAGBI payments to qualifying local authorities. For the County Council there was an additional payment of £0.122 million in respect of 2005/06 and £0.274 million in respect of 2006/07, a total of £0.396 million.

This additional funding could be used through the Planning, Economy and Performance Directorate to support economic development initiatives, with a

particular focus on market town initiatives to support economic recovery in areas affected by this Summer's flooding and other key regeneration initiatives such as the Droitwich Canal's restoration. This was time limited and would not be used to support projects with recurring costs.

(g) External audit opinion 2006/07

The external auditor had now issued an unqualified audit opinion as expected when the accounts for last year were approved in June.

- **Amendment to Annual Investment Strategy**

An amendment to the Treasury Management Annual Investment strategy was required relating to the County Council's joint ownership of West Mercia Supplies (WMS).

WMS had a foreign currency account and investments of any balances on this account would be classed as a non-specified investment. Currently the County Council's Annual investment Strategy did not have the provision to make this kind of non-specified investment.

The amendment would only apply to WMS operations.

“West Mercia Supplies

With regard to the joint ownership of West Mercia Supplies, the Council may, if deemed in the best interest of prudent management of the West Mercia business, undertake transactions pertaining to foreign currencies, such as foreign exchange deals and investments. Such dealings must have relevance to the course of business of West Mercia Supplies. These dealings will be classified as non-specified as they are not sterling denominated.”

- **Consultation on Local Government Finance Formula Grant Distribution**

On 17 July 2007, the Department for Communities and Local Government (CLG) had issued a consultation document entitled 'Local Government Finance Formula Grant Distribution'. The consultation would close on the 10 October 2007 and Ministers would then make decisions on the proposed changes. These would be included in the 3-year grant settlement for 2008/09, 2009/10 and 2010/11.

The CLG consultation paper included options and

exemplifications of gains and losses which for local authorities covered the areas described below. The options had been exemplified by re-running the 2007/08 settlement as though the particular option had been in place. Gains and Losses in formula grant exemplified for the Council except 4.3 are BEFORE the operation of the floor damping. In 2007/08 the Council's formula grant entitlement was increased by £3 million from floor damping. A summary of all options and a comparison of exemplifications with the shire counties average was attached to the report.

- **Review of the Dedicated Schools Grant (DSG) Distribution Formula**

The Schools Minister's statement to Parliament of 25 June 2007 set out the main decisions on the shape of the school funding system for the years 2008-11, after the national consultation on school, early years and 14-16 funding that took place in the Spring 2007.

Further to this in July 2007 the Department for Children, Schools and Families (DCSF) announced a proposed review of the formula used to distribute the DSG to local authorities, which would be introduced for 2011/12. A consultation paper on the terms of reference for the review was issued on 2 August 2007.

Comments on the published terms of reference were required by 2 November 2007.

In recognising the need for a new DSG formula, it was suggested that the key outcomes that the Council required from this review were:

- (a) The narrowing of the significant funding gap that still existed between local authorities;
- (b) A robust and fair calculation of the basic entitlement for all pupils to be made and to be fully funded from the DSG prior to any other factors;
- (c) The continuing requirement to recognise and appropriately fund pockets of significant deprivation within local authorities for Additional Educational Need;
- (d) The fairer treatment compared to other local authorities, of the assumptions for entitlement to Area Cost Adjustment;
- (e) A fair transition on the move to the new system protecting the Council's current base funding position.

Members spoke broadly in support of the approach set out in the report and make comments about the need to ensure Worcestershire County Council and the people of Worcestershire did not suffer in any new systems proposed, that Fairer Funding should continue to be pursued and that the Cabinet continue to be made aware of the potential difficulties faced in funding and wider financial issues.

RESOLVED that:

- (a) **the Director of Financial Services' conclusions concerning financial progress this year be endorsed (Section 1);**
- (b) **the Council be recommended to approve the amendment to the Annual Investment Strategy (Section 2);**
- (c) **the Director of Financial Services completes a detailed response to the questions in the Formula Grant Distribution consultation paper in line with his assessment of the key areas outlined in the report (Section 3) and**
- (d) **the Director of Financial Services' initial assessment of the required outcomes from a review of the Dedicated Schools Grant distribution formula be endorsed (Section 4).**

722. Exclusion of Public and Press

RESOLVED: that pursuant to Section 100A of the Local Government Act 1972, the press and public shall be excluded from the meeting during the consideration of the following item on the grounds that there would be disclosure to them of information relating to the financial or business affairs of any particular person (including the authority holding that information) and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Summary of the Proceedings of the Meeting during which the Press and Public were Excluded

723. Malvern Hills Science Park – Chamber of Commerce Involvement (Agenda item 11)

The report before Cabinet explained that in 1996 the Council had made an investment in order to establish the Malvern Hills Science Park. Other partners to this development included Herefordshire and Worcestershire Chamber of Commerce, Malvern Hills District Council and QinetiQ. The report set out that the Council's investment was governed by a Joint Venture Agreement

and its shareholding prescribed in the Memorandum and Articles of Association of Malvern Hills Science Park Limited.

One of the partners, the Chamber of Commerce, was undergoing a substantial change due to the regional reorganisation of Business Link and the Cabinet agreed to support the transfer of the Chamber's shares to a new partner. The Cabinet also agreed that amendment be made to the Joint Venture Agreement and Articles of Association to reflect these and other changes.

The meeting ended at 12.15 pm

Chairman