

Budget Scrutiny Inquiry Report for 2019-20

**A report by the Finance, Performance and
Resources Select Committee**

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Contents

Slide	Section
3	Introduction
5	Executive Summary
6-8	Summary of Recommendations
9-11	Context
12-18	Overall Budget & Leader's Portfolio
19-21	Capital
22-24	Resources Portfolio
25-28	Children's Services Portfolio

Slide	Section
29-31	Health & Wellbeing Portfolio
32-34	Education & Skills Portfolio
35-37	Community Engagement & Public Health Portfolio
38-39	Planning & Environment Portfolio
40-44	Transportation Portfolio
45-46	Unitary Opportunities
47	Future Budget Scrutiny

Introduction

- The Finance, Performance and Resources (FPR) Select Committee carries out scrutiny of all policies and services relating to these areas.
 - Cabinet agreed the draft budget at its meeting on 10th December 2018.
 - Budget Scrutiny Inquiry meetings were held on 8th, 9th and 10th January 2019 to scrutinise the draft budget and make recommendations to Cabinet.
 - The public were able to submit questions via email or twitter.
 - Cabinet will respond to the recommendations on 11th February 2019.
 - The final budget will be presented to full Council on 21st February 2019.
 - The budget scrutiny meetings were webcast and can be viewed at <https://buckscc.public-i.tv/core/portal/webcasts>
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Membership of the Budget Scrutiny Inquiry

Finance, Performance and Resources Select Committee

Mr David Watson (Chairman)

Mr Charlie Clare (Vice-Chairman)

Mr Bill Bendyshe-Brown

Mr Steven Lambert (substituting for Anders Christensen)

Mr David Martin

Mr Peter Martin

Mr David Shakespeare OBE

Mrs Julie Ward

Additional Members

Mr Dev Dhillon, Chairman, Children's Select Committee

Mr Brian Roberts, Chairman, Health and Adult Social Care Select Committee



Executive Summary

- The Committee recognises that the County Council has faced another challenging year with increased financial pressures, principally in the provision of Adults' and Children's Social Care.
- Other Local Authorities are struggling to deliver balanced budgets and some areas of the Council have significant cost pressures to manage. The latest forecast is a £200k overspend by the end of 2018/19. Whilst the County Council has enjoyed surpluses in the past two financial years, many Local Authorities nationally are struggling to control their finances due to increased demand in Children's and Adult's Social Care, alongside unachieved savings/income targets. In comparison, Buckinghamshire is managing well.
- The 2019/20 County Council budget will be the last, ahead of the new Unitary Authority being established in April 2020. On the whole, the Committee believe that resources are focused on the right priorities and recognise that it is vital that transformation and improvement programmes and associated budget savings are still delivered.
- The Committee would like to thank all staff of the County Council for their hard work and dedication on behalf of the residents of Buckinghamshire.

Recommendations


The Committee recommends:

- 1. That additional monies should be added to the 2019-20 contingency budget, to supplement the current Unitary reserve of £7.7m. The Committee suggests that this additional sum could be taken from the County Council's share of additional income anticipated from the Business Rates Retention pilot, which all five Local Authorities in Buckinghamshire will be participating in.**
- 2. That there should be improved level of visibility in individual budget lines across all portfolios for future Budget Scrutiny Inquiries. The financial data submitted should clearly identify the major costs of running the Council e.g. Home to School Transport, the EfW plant income and costs, parking revenues, Skills budget, number of Full Time Equivalent(FTEs) staff, costs of agency staff/interims, key drivers of demand in Social Care and associated unit costs. A high level Budget Book to enable more transparency for Members and the Public is proposed.**

Recommendations


- 3. That balance sheet and cash flow budgets should be prepared to support the capital, treasury investments, borrowing and revenue costs over the four year period.**
- 4. The Committee has concerns that the root cause societal issues driving the increase of Looked After Children may continue to grow over the coming years and therefore there is the possibility that the budgeted growth in demand may not be sufficient. It is recognised that assistance from Government may be required, in the meantime a significant contingency is recommended.**
- 5. That a realistic figure is included in the final Children's Services budget for legal fees.**
- 6. That the Health and Wellbeing contingency should be reviewed to ensure that it offsets the key risk areas identified by the Committee. A significant contingency is recommended.**
- 7. That a minimum 5% per annum uplift should be applied to the Strategic Highways Maintenance capital budget line to take into account inflation, growth of the asset and impact of increased traffic on the highways.**

Recommendations

- 8. That the additional funding for gully cleansing and weed management which had been added into the budget as a result of Budget Scrutiny recommendations over the past two years, should be maintained. This will prevent further decline of the asset and should be viewed as an 'invest to save'.**
 - 9. That a Street Lighting Survey should be undertaken to establish the location, ownership and condition of all columns in the County, including an assessment of the current status of all lights. In addition, if a further £2m could be funded from within the Capital envelope, this should be added to fund an acceleration of Column Replacement works. The use of smart technology should also be investigated.**
 - 10. That preparations for the new authority should include both the Unitary Opportunities and Future Budget Scrutiny recommendations detailed on slides 45 to 47. The opportunity that the creation of a new Council presents should not be missed.**
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National Context

Local Government Finance Settlement:

- **Council Tax Referendum Limit** – remained at 3% as anticipated
 - **Business Rates Retention Pilot (75%)** – All Councils in Bucks have successfully bid to take part in pilot in 2019-20. This should result in a gain of over £7m which will be split 50/50 with the districts.
 - **Negative Revenue Support Grant** – confirmed that this would be eliminated for 2019-20. £10.949m therefore retained by the Council.
 - **Borrowing for Commercial Gain** - Indication that Government might consider intervention in this area. CIPFA expected to issue further guidance shortly.
 - **Adult Social Care** – Green Paper still delayed, therefore no certainty about long term sustainable funding solutions.
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National Context continued

Trend of County Council's experiencing financial problems


- Northamptonshire County Council issued a second S114 notice in 2018 with £60-70m overspend in 2018/19, growing to £178m in 2020/21. This led to the Secretary of State intervening and recommending creation of new Unitary authorities in the County.
- Surrey is also predicting a funding gap of £94m by 2020-21.
- East Sussex is forecasting a gap of £46m by 2021-22 and as a result is looking at a core offer of services in an attempt to reduce spend.
- Somerset announced in-year cuts to services, having ruled out a S114 notice in July 2018.

‘Local Authorities with Social Care Responsibilities overspent their service budgets by over £1billion in 2016-17’ – Financial Sustainability of Local Authorities Report published in June 2018 by the Parliamentary Select Committee of Public Accounts




Local Context

Medium Term Financial Plan (MTFP) Assumptions

- The Medium Term Financial Plan (MTFP) extends to 2022/23. The following points should be noted:
 - The MTFP was created as a 'business as usual' budget for the County Council, prior to the Local Government Reorganisation (LGR) announcement in November 2018. Whilst the new Unitary Authority will be established in April 2020, it is important that the savings proposed by the County Council for 2019-20 are still delivered.
 - A Council Tax increase of 2.99% has been assumed in the draft budget.
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Overall Budget & Leader's Portfolio

The Leader provided an overview of the continued constraints on local government funding that had put increasing pressure on the County Council budget.

- Buckinghamshire and Dorset were the first two County Councils in the country to have the Revenue Support Grant (RSG) from Government withdrawn completely.
 - When funding was redistributed from the New Homes Bonus funding to the Better Care Funding, Bucks and Surrey both lost out overall.
 - The proposed Council Tax increase for 2019/20 is 2.99%. No additional Social Care precept for this year.
 - Business Rates Retention – a new source of income for local government in future, but this would also come with additional responsibilities which are still unclear.
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Overall Budget & Leader's Portfolio


Additional Income

There was some additional income to report but generally this was one off funding opportunities, which would be unwise to incorporate into the base budget.

- £1.67m for Winter Pressures in Social Care for 2018/19 & 2019/20 only
- £2.9m general Social Care allowance for 2019/20 only
- Business Rates Retention(BRR)Pilot – the five Councils in Buckinghamshire had successfully bid to participate in a BRR pilot in 2019/20. It was estimated that the County Council might benefit from an additional £3.8m as a result.
- The Council was due to be in a Negative Revenue Support Grant situation in 2019/20 – i.e. the Council were due to give £11m of Council Tax income back to Central Government.
- However Government has postponed this 'clawback', so the Council now planned to use this £11m in the following ways: £4.35m to balance budgets in next 2 years, £1m for Plane & Patch on roads, £1.6m for High Cost Placement contingency and £4m to be added to general reserves.

Overall Budget & Leader's Portfolio

Whilst the Committee supports in principle, the policy of rebuilding revenue reserves back up to £30M, there was concern that the potential future growth in service demands and other risks which the Council faces may not enable this to be realised. A number of members also expressed concerns that some of the proposed 2019/20 service reductions may be avoided by the early realisation of the planned level of savings from the new authority.



Overall Budget & Leader's Portfolio


Planning for Unitary

- The Modernising Local Government business case prepared two years ago included estimated transition costs of £16m. As the Statutory Order creating the new Unitary Authority will not give Buckinghamshire County Council the status of a continuing authority, the transition costs are likely to increase to at least £20m. The committee noted that the County Council is expected to be allocated 50% of the total Transition Cost.
- The County Council and four District Councils need to agree how to share the transition costs. The County Council had accumulated a reserve for this purpose over the past two years of £7.7m

Recommendation - That additional monies should be added to the 2019-20 contingency budget, to supplement the current Unitary reserve of £7.7m. The Committee suggests that this additional sum could be taken from the County Council's share of additional income anticipated from the Business Rates Retention pilot, which all five Local Authorities in Buckinghamshire will be participating in.

Overall Budget & Leader's Portfolio

Presentation of the Budget

- In 2017 and 2018, the Committee highlighted a lack of clarity in budget lines which meant that it was difficult for Members and the Council Tax paying Public to fully understand the Council's plans and made effective scrutiny more challenging.
 - Although the Committee welcomed the detailed budget packs with all Equality Impact Assessments and Business Units included, there remained a number of key areas where spend was not explicit.
 - For example, there was a lack of visibility around the costs or income associated with the Energy From Waste Plant (EfW), Home to School transport and public transport.
 - The Cabinet Member for Education and Skills observed that some of his portfolio budget lines were not clear and commented that it would be helpful for the Committee to have costs and income expressed in both gross and net terms.
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Overall Budget & Leader's Portfolio

- The Committee acknowledges an increased openness and understanding of the budget by Cabinet Members in this year's Budget Scrutiny sessions, alongside an improved understanding by the portfolio Finance Directors, although this was not always clearly demonstrated in the presentation of the paperwork.
- The Committee propose a high level budget book should be produced to increase transparency for Members and the Public. The Committee Chairman requests the opportunity to meet with the S151 Officer and the Leader to discuss how the visibility of financial reporting might be improved.

Recommendation - That there should be improved level of visibility in individual budget lines across all portfolios for future Budget Scrutiny Inquiries. The financial data submitted should clearly identify the major costs of running the Council e.g. Home to School Transport, the EfW plant income and costs, parking revenues, Skills budget, number of Full Time Equivalent (FTEs) staff, costs of agency staff/interims, key drivers of demand in Social Care and associated unit costs. A high level Budget Book to enable more transparency for Members and the Public is proposed.

Overall Budget & Leader's Portfolio

Other Observations


- Whilst the Committee understand that the Council must produce a balanced budget and appreciate the reasons why revenue funding has been moved between portfolios to support the demand led services during the course of the 2018/19 financial year, there is concern that the forecasting of this demand in Adult Social Care and Children's Services is neither sufficiently accurate nor clearly presented.
 - The Committee was pleased to note the Leader's comments that the Chief Executive's financial review at the end of 2017/18 had resulted in much closer monitoring of the Children's and Adult Social Care budgets.
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Capital


The Cabinet Member outlined the three objectives of the Council's capital programme:

- To own fit for purpose, well-maintained assets
- To ensure that assets generate income where possible
- To address the capital maintenance backlog, including roads

Priorities for the £357m capital programme for the next 4 years included:

- Education and Skills – c£100m allocated for additional School Places
 - Strategic Highways Maintenance – minimum of £15m per annum
 - Significant Transport Infrastructure – funded through the Local Enterprise Partnership and National Productivity Investment Fund bids
 - ICT – to aid Transformation Programmes in Social Care and to ensure all infrastructure is resilient and robust.
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Capital

- The programme was frontloaded for 2019/20 and 2020/21 mainly due to a demand for new school places and the lack of certainty on future funding streams.
 - The Cabinet Member for Resources reported that income was generated through assets e.g. rental income from the investment property portfolio and the new Country Parks Visitor Building would generate income through additional car park charges and spend on site during the winter months.
 - The Cabinet Member reported a small slippage on the Capital budget of 2018/19 of £10.7m. There were always risks involved with the successful and timely implementation of Capital projects, including planning delays (particularly in Schools) and securing match funding (Flood Schemes and Transportation projects). Sometimes policy changes could mean that projects included in the programme would later be withdrawn.
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Capital

- The Committee question whether sufficient budget has been set aside in 19/20 and beyond to fund borrowings required to finance the S106 funding gap. Should Capital expenditure occur before S106 funding is received from the relevant developers then capital projects will need to be temporarily financed by loans – the interest cost for which should be clearly included in the revenue budget.


Recommendation - That balance sheet and cash flow budgets should be prepared to support the capital, treasury investments, borrowing and revenue costs over the four year period.



Resources Portfolio

- The Cabinet Member reported budget pressures of **£2.6m**. Income from newly acquired investment properties and use of reserves had reduced this to **a £750k forecast overspend**. Finances had been more challenging in 2018/19 due to pressures in Property Maintenance and HR. Senior Managers were working hard to deliver a balanced budget by year end.

The main challenges and risks for the portfolio included:

- **Budget management** - minimising spending and maximising income generation opportunities. Also working to meet savings targets in the MTFP.
 - **Making best use of Assets** - Property programme underway to dispose of surplus properties, undertake sensible conversion projects and manage Schools works. An unforeseen property maintenance emergency could also create pressures in the budget in future.
 - **Business as Usual vs Unitary** - Resources portfolio will be heavily involved in shaping the new unitary, but staff will still need to deliver services as usual.
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Resources Portfolio

Income Generation

- Members were pleased to hear that almost a third of the portfolio's budget was generated through income, particularly through the provision of services to Schools.
- The Committee heard that income had increased by £400k in 2018/19 and was particularly pleased to note that an Internal Audit service delivered by County Council staff is now being offered to Multi-Academy Trusts. The development of new offers for Schools and other clients is to be encouraged.

Investment Properties

- The Committee welcomed the news that additional rental income from two recently acquired investment properties could be offset against the portfolio's overspend. Members would however like to gain a greater insight into the current and projected asset base and operational risks, along with the associated rental income stream.


It was therefore agreed with the Cabinet Member and Executive Director that an in-depth review of the current Investment Property Portfolio and future strategy would be scheduled for a Finance, Resources and Performance Select Committee meeting in 2019.

Resources Portfolio


Staff Sickness

- The Committee heard that staff sickness levels of 9.5% were above the local authority average (9.3%) and the Council's own target of 8.5%.
- Members would like to see HR working closely with Managers across the Council to reduce levels of sickness to below the target of 8.5% and to ensure that sickness levels are being monitored and recorded accurately.

Furthermore the Committee encourage the Cabinet Member to be mindful that uncertainty for staff around the Unitary transition could lead to an increase in sickness, therefore he should continue to monitor trends closely and ensure that support for staff is clearly signposted alongside Unitary Update communications.




Children's Services Portfolio

- The Cabinet Member reported budget pressures of **£9.3m** - mainly due to an increase in Looked After Children (LAC), placement costs, legal fees and Early Help savings being delayed. Contingencies and one off savings had been offset against this figure, reducing the forecast overspend for year end to **£4.1m**.
 - Children's Services is challenging nationally. The County Council's Network reported in August 2018 that local authorities with children's safeguarding responsibilities had overspent by £816m in 2017-18 and the numbers of Looked After Children have increased significantly in English Counties, from 22,600 in 2011 to 26,000 in 2017 – a 15% increase. In addition, there had been a 35% increase in the number of children subject to a Child Protection Plan.
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Children's Services Portfolio

- Locally we heard that not only is the number of Looked After Children increasing, but children often have complex issues associated with domestic violence, drug and alcohol abuse and mental health problems in their homes.

Recommendation - The Committee has concerns that the root cause societal issues driving the increase of Looked After Children may continue to grow over the coming years and therefore there is the possibility that the budgeted growth in demand may not be sufficient. It is recognised that assistance from Government may be required, in the meantime a significant contingency is recommended.



Children's Services Portfolio

- The Executive Director (ED) for Children's Services explained that following two difficult inspections, the service has reviewed cases, which has also contributed during the year to a 10% increase in children coming into care and higher legal costs this year.
- The Committee was pleased to note that the ED for Children's Services has now built a permanent senior management team of experienced and motivated individuals to lead the delivery of the Ofsted Improvement Programme.
- Children's Services play a vital role in protecting vulnerable children in Buckinghamshire. The service is demand led and has been given additional funding of £17.8m (cumulative) over the past three years to support it in its improvement journey.
- However the Committee is concerned that despite this increase, the budget has been significantly overspent each year for the past three years. Members consider that there are still areas of risk in the proposed 2019-20 budget.

Children's Services Portfolio

- In particular, the Committee believe that funding proposed for Legal fees for 2019/20 may prove to be insufficient. In 2018/19 the legal spend has been £3.3m, with a proposed budget of £2.4m for 2019/20. Whilst the Cabinet Member anticipates that legal spend will level out, the Committee believe a more realistic figure is needed.

Recommendation – That a realistic figure is included in the final Children's Services budget for legal fees.

In-House Fostering and Residential Homes

- The Committee would like to congratulate the service on recruiting additional in-house foster carers, with a 26% increase reported for this financial year. Members hope to see this trend continue and this, alongside the development of new children's residential homes in the county, will support the service objective of shifting the placement mix, which will deliver positive outcomes for children whilst also reducing costs.

Health and Wellbeing Portfolio

- The Cabinet Member reported a forecast overspend of £2.3m by year end, due to an increase in demand and clients presenting with more complex needs, which in turn require more costly placements or support.
- The Committee recognise that pressures on Adult Social Care are felt nationally, with demographic changes and issues in the care provider market triggering further financial problems. As a demand led and statutory service, the budget can be volatile, but the Committee are pleased to note that the portfolio now has a permanent Senior Management Team who have been monitoring the budget very closely this year and are also on track to deliver 92% of the savings planned for 2018/19.
- ***The Committee was concerned that there was little information to share on how the £123m on outsourcing is spent. Members anticipate that there should be a continual review of whether to outsource services or bring in house. The portfolio should understand how many people it indirectly employs, the cost structure of each contract and whether or not the current in house/outsource configuration is optimal and will remain optimal.***

Health and Wellbeing Portfolio

Despite these improvements, the budget will be overspent again this year and the Committee identified four key risk areas in the budget for 2019/20:

1. Accuracy of Demand Growth Modelling and Budget Forecasting

- The Committee has concerns about the accuracy of forecasts for demand growth, particularly in light of increased complexities of need and question whether the figures in the MTFP will be sufficient.

2. Better Lives Transformation Programme

- Significant savings are predicated on the success of this ambitious programme which will require individuals to be assessed and supported very differently and will need a culture change in the Council and amongst partners to ensure successful implementation. The Committee are pleased that the Health and Adult Social Care Select Committee are continuing to monitor the programme in more detail going forward.

3. Changes to Short Breaks Respite Provision

- Cabinet had recently agreed to launch a consultation on Short Breaks Respite Provision.

Health and Wellbeing Portfolio

- The proposal is to build a new respite facility on the site of the current Aylesbury Day Opportunities Centre, which would then release the Seeley's House site in Beaconsfield to generate a capital receipt.
- The Aylesbury Day Opportunities Centre would close for 12 months to facilitate construction and users of the centre would be offered access to alternative services. Members are concerned that implications for clients and other Business Units of the Council have not been fully considered and costed. Therefore assumptions around cost savings and capital receipts may not be fully delivered.

4. Sustainable Long Term Funding

- Delays with the Adult Social Care Green Paper combined with Better Care Funding due to end in 2020 means there are major uncertainties about the long term funding for Adult Social Care, whilst demand continues to increase.

Recommendation - That the Health and Wellbeing contingency should be reviewed to ensure that it offsets the key risk areas identified by the Committee. A significant contingency is recommended.

Education & Skills Portfolio

The Cabinet Member reported a forecast overspend of £1m for 2018/19 year end. Key pressures on the budget were support for children with Special Educational Needs & Disabilities (SEND) and Home to School Transport.

The key challenges for the portfolio included:

- **Demographic changes** - providing sufficient school places, including pre school. Capital programme will provide approximately 6,500 additional school places by 2022, with an average cost of £20k per Primary place and £28k per Secondary place.
- **Reducing costs of the Home to School Transport** – by maximising use of public transport services and offering independent travel training where appropriate. Public Consultation on proposed policy changes had just ended and a decision would be considered by Cabinet in March 2019. The Committee noted the delay in the achievement of past savings targets and regret the consequent adverse impact on the 19/20 budget.
- **Increased emphasis on preventative agenda for SEND** - to identify children's issues earlier, offer more targeted support in mainstream/special schools and reduce the number of placements in more costly specialist provision, often out of county.

Education & Skills Portfolio

SEND Pressures


- There is a national trend of increasing numbers of SEND pupils – although it was noted that Buckinghamshire’s 3.3% of pupils on an Education, Health and Care Plan (EHCP) is above the national average. This has put pressure on both the local authority budget and the Direct Schools Grant (DSG), where the High Needs Budget is overstretched. The Council continues to lobby Government for additional funding.
- Locally there has been an 84% increase in the number of children with EHCPs for Autistic Spectrum Disorders (ASD) in the last 5 years, which can require costly specialist support. In addition to focussing on early intervention, officers are also working closely with mainstream and special schools in the county, to develop provision to meet the changing needs of the cohort.
- The Committee recognise the complexities and key pressures in the budget but the Cabinet Member and his team, clearly explained plans that are in place to manage demand and it is hoped that reorganisation, a more preventative approach and changes to Home to School Transport policy will begin to deliver savings from 2019/20.

Education & Skills Portfolio

Skills

- As last year, the Committee found it difficult to ascertain what budget was allocated to the Skills area and request that in future, a separate budget line should be included, with an explanation of the activity this supports to encourage a thriving economy in Buckinghamshire.
- It was also noted that Adult Learning is funded by grant of approximately £3.5m but enrolments to courses are low. The Committee suggests that a robust marketing campaign should be launched to publicise Adult Learning opportunities and maximise the number of people signing up to develop their skills for the future.

The Committee would like to congratulate the service on progress made in the area of Permanent Exclusions. We heard that permanent exclusions in 2018 had reduced to 0.01% in Primary, 0.05% in Secondary and 0 in Special Schools – this is very positive news.



Community Engagement & Public Health

The Cabinet Member reported that his portfolio was forecasting an overspend of £68k for 2018/19, but he was hopeful that it would break even by year end.

The portfolio is very wide-ranging and priorities for next year include:

- Partnership Working – key to the holistic prevention agenda and improving outcomes for residents
- Public Health - keeping people healthier and independent for longer
- Community Safety – delivering the Community Safety Plan with partners, including tackling crime, trading standards, domestic violence and radicalisation

In 2018, the Committee heard that Government planned to link Public Health funding to Business rates from 2020. Due to delays in Business Rate Retention planning, we are now told that Public Health has no confirmed funding stream from 2020. This is the biggest financial risk for the portfolio. We hope that Government funding plans will be revealed shortly so that the preventative agenda can continue to be adequately supported locally.

Community Engagement & Public Health

Members were concerned that this relatively small portfolio was still having to make historical MTFP savings to compensate for overspending in other areas of the Council. It is important to recognise that the preventative work of Public Health and Communities can contribute to a reduction in demand for other statutory services.

Libraries

- The Committee commend the Council's continued support to Community Libraries and would endorse a more ambitious approach to increasing volunteer capacity right across the library service. It is also hoped that the transition to Unitary might enable plans for future savings in this area, such as reduced library opening hours, to be revisited.
- The Community Hub model set out in the Modernising Local Government business case envisaged libraries playing a key role in community engagement and delivery of a wider range of services for residents.
- The Committee also welcome the news that a grant of £150k over three years has been recently secured to develop libraries as venues for cultural activities.

Community Engagement & Public Health

NHS Health Checks 40-75 years

- The Committee discussed the performance indicator for uptake of invitations to attend an NHS Health Check which was low. We heard that due to reorganisation locally and competing priorities in Primary Care, not all surgeries had actively promoted this programme and there were many reasons why individuals might decide not to attend.
- Members hope that this indicator will improve through increased engagement with GPs and also potentially with larger employers who might permit staff to have checks at their place of work. Consideration should also be given to using community facilities such as libraries, as possible venues to push the Health Checks programme out to those who are eligible.

Income Generation

- The Committee would also encourage the portfolio to fully develop all avenues for increasing income generation, e.g Registrars, Trading Standards
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Planning & Environment Portfolio

The Cabinet Member reported a forecast underspend of £1.4m at year end and the portfolio had continued to deliver and in some areas exceed, the income targets already built into the MTFP.

- The biggest challenges for the portfolio in the coming year included:
 - Reconfiguration of Household Recycling Centres (HRCs) and introduction of charging for some categories of Waste
 - Housing growth
 - An increasing population and demand for services
 - Careful management of Capital programme including Flood Defence schemes, Rights of Way, Biowaste and Country Parks Visitor Centre.

The Committee is concerned that a combination of HRC sites closing alongside the district council's decision to remove recycling facilities in public car parks, could lead to an increase in fly-tipping in the County.

Unitary will present an opportunity for more joined up thinking on Waste. Members hope that the Cabinet Member has set aside sufficient funds to address any increase in fly-tipping that might occur.

Planning & Environment Portfolio

Presentation of Budget

This portfolio's budget is clearly well-controlled and managed and is supported by proactive income generation from a number of different sources. However this was not immediately apparent to the Committee from the paperwork presented.

- There appeared to be some anomalies, e.g the income from the Agricultural Estate is shown in the Planning & Environment budget but the associated assets are held by Resources.
- Members welcome the news that the EfW plant has generated additional income to that projected in the original business case. However it was again very difficult for Members to gain an understanding of this from the budget spreadsheets and we would request that in future there is more transparency/visibility.

To this end, the Committee request that in future years a separate Profit/Loss statement for the EfW Plant is provided.



Transportation Portfolio

At the end of Quarter 2, the portfolio appeared to be slightly over budget but the Cabinet Member reported a small forecast underspend of £70k by year end.

The key challenges for the portfolio included:

- The public's perception and satisfaction with road maintenance – this year's Plane and Patch programme had been very well-received but demand remained high.
- Funding to keep up with the pace of Growth and demand – over the past 10 years the revenue budget had essentially remained static, whilst the asset had grown by 10%.

Customer Experience

- It was acknowledged that the 'Fix My Street' app was working well, but feedback to customers after reporting a problem remained inconsistent. The Committee agreed with the Head of Growth Strategy & Highways' comments that improvements are needed in this area and would encourage training for staff to ensure that expected standards for responses are clearly understood.

Transportation Portfolio

Members' Highways Small Works Allocation

- Following reductions to Local Area Forum budgets and the Community Leader's Fund Allowances in recent years, the Committee was **very** disappointed to also see a reduction in the Members Highways Small Works Allocation for 2019-20.

Whilst the Committee understand that it is increasingly difficult to find savings in the budget year on year, reductions in these three areas mean that there is a declining level of discretionary spend available for local members and the Members' Highways Small Works in particular, had often generated high levels of customer satisfaction from residents.

Capital – Strategic Highway Maintenance

- The Committee noted the consistent £15m per year allocation for Strategic Highways Maintenance.


Recommendation - That a minimum 5% per annum uplift should be applied to the Strategic Highways Maintenance capital budget line to take into account inflation, growth of the asset and impact of increased traffic on the highways.

Transportation Portfolio

Gully Cleansing and Weed Management

- The Committee has previously recommended that there should be an increased spend on gully cleansing to prevent further damage to the highway during flood conditions and last year, we also recommended some additional investment in a programme of weed management, to similarly help to preserve the quality of footways in the County.
- Members were therefore disappointed to learn that this additional investment has been removed from the budget for 2019/20 and believe that this decision should be revisited.

Recommendation - That the additional funding for gully cleansing and weed management which had been added into the budget as a result of Budget Scrutiny recommendations over the past two years, should be maintained. This will prevent further decline of the asset and should be viewed as an 'invest to save'.



Transportation Portfolio

Street Lighting


- The Committee are aware that the Transport, Environment and Communities Select Committee undertook a review of Street Lighting in September 2018. It was reported that complaints on Street Lighting had declined (although this could have been a seasonal trend) but some performance targets related to maintenance and replacement of lighting columns had not been met.
- The Cabinet Member reported that complaints about Street Lighting had increased - this correlated with Members' experience in their own divisions. Members believe that this asset is not being managed effectively and are concerned that the numbers of permanently damaged columns, stumps and defective luminaires reflects badly on the Council. We are aware that a Capital bid was submitted as part of the MTFP process.

Recommendation - That a Street Lighting Survey should be undertaken to establish the location, ownership and condition of all columns in the County, including an assessment of the current status of all lights. In addition, if a further £2m could be funded from within the Capital envelope, this should be added to fund an acceleration of Column Replacement works. The use of smart technology should also be investigated.

Transportation Portfolio

Presentation of Budget

Again, the Committee found some elements of the Transportation budget lacked visibility.

- An increased understanding of the key elements of the costs of the £21.5m Transport for Buckinghamshire (TfB) contract, e.g. plane & patch, potholes, average cost per pothole, staffing, FTE, leasing costs, gritting etc needs to be shared with Members in order that meaningful questions can be asked in future.
 - The Committee was surprised to learn during questioning that £9m was spent on Concessionary Bus Fares, as this was not at all clear in the Budget spreadsheets. A great deal of attention had been paid to Home to School Transport but considerably less to this area. It was suggested that the two bus transport areas might be combined in future reporting.
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Unitary Opportunities

The transition to Unitary provides an opportunity for a wholesale review of management reporting methods to improve visibility, which will enhance both management control and member scrutiny.


Financial Accounting

- We acknowledge that the Council is not a business but it needs to be more business-like in the way that it prepares its in year management accounts. The 2018 recommendation that the Council prepares its management accounts on an accruals basis should not be forgotten – it is recommended that the new council prepare its in year management accounts on an accruals basis from day one. It should be noted that one District Council already prepares its in year management accounts on an accruals basis.

Financial Variance Reporting

- It appears from quarterly BCC outturn reports that variances over £1m are explained in the notes to the revenue summary by portfolio whereas at District level the cut off is £100k. It is proposed that more detail is explained in the new authority outturn reports from day one - £500k is recommended for former county front line services and £100k for all other former county and district portfolios.

Unitary Opportunities

- **Capital** - The new Unitary Authority, when operational, will provide the opportunity for planning capital programmes over a longer period of time than the current four years. In light of the Growth Agenda and the inherent long-term nature of infrastructure investment, consideration should be given to structural planning periods of 10 years.
 - **VFM Contract Review** – Opportunity to review major contracts and to take stock if outsourcing remains the most cost-effective method of service delivery or whether services could be better delivered in-house.
 - **Examine the possibility of revisiting some of the savings proposals in this MTFP (2021 & beyond)**, e.g reduction in library opening hours.
 - **Opportunities for realising synergies across County & District responsibilities** - e.g. Waste and areas such as Street Cleansing and Highways works.
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Future Budget Scrutiny

The Committee would like to see continued detailed Budget Scrutiny in the new Unitary Authority.

The format of questioning each individual Cabinet Member has been effective and holding public meetings, which are also webcast, provides an opportunity for residents of Buckinghamshire to understand how their Council Tax monies are spent. Members would like to encourage continued public engagement in the process.

In future, it would be helpful for Members to have the following supporting information:

- Increased transparency/visibility across all portfolios – The Committee recognise that portfolio areas and cost centres are likely to be realigned, which may improve this visibility.
 - An Organisation Chart for each portfolio with details of costs and FTEs
 - Separate P&L for the EfW Plant
 - Separate P&L for other specifics such as commercial lettings
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