



**Buckinghamshire County Council**  
**Select Committee**  
Finance, Performance and Resources

**Date:** Tuesday 15 December 2015  
**Time:** 10.00 am  
**Venue:** Mezzanine Room 2, County Hall, Aylesbury

**AGENDA**

**9.30 am Pre-meeting Discussion**

This session is for members of the Committee only. It is to allow the members time to discuss lines of questioning, areas for discussion and what needs to be achieved during the meeting.

**10.00 am Formal Meeting Begins**

<b>Agenda Item</b>	<b>Time</b>	<b>Page No</b>
<b>1 APOLOGIES FOR ABSENCE/CHANGES IN MEMBERSHIP</b>	<b>10am</b>	
<b>2 DECLARATIONS OF INTEREST</b> To disclose any Personal or Disclosable Pecuniary Interests		
<b>3 MINUTES</b> To agree the Minutes of the Meeting held on Tuesday 10 November 2015.  To note the corrected amended minutes of 29 September 2015 as approved by the Chairman and published on 1 December 2015.		<b>7 - 26</b>
<b>4 PUBLIC QUESTIONS</b>		



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Public Questions is an opportunity for people who live, work or study in the county to put a question to a Scrutiny Committee about any issue that has an impact on their local community or the county as a whole.

Members of public, who have given prior notice, will be invited to put their question in person.

The Cabinet Member and responsible officers will then be invited to respond.

Further information and details on how to register can be found through the following link:-

<http://www.buckscc.gov.uk/about-your-council/scrutiny/get-involved/>

**5 CHAIRMAN'S REPORT**

For the Chairman of the Committee to provide an update to the Committee on recent scrutiny related activity.

**6 DRAFT INCOME GENERATION STRATEGY AND DRAFT CHARGING POLICY 10.05am 27 - 44**

To provide the Committee with an update on the draft Income Generation Strategy and draft Charging Policy.

**Attendees**

Richard Schmidt, Head of Strategic Finance  
John Chilver, Cabinet Member for Resources

**7 PROPERTY STRATEGY 10.35am 45 - 50**

At past meetings, the select committee have requested information about the Asset Strategy Review to ensure that the Council is achieving best value from its property portfolio. This item will focus on the Agricultural Estate.

**Attendees:**

Joe Nethercoat, Head of Strategic Assets  
Jo West, Estates Officer  
Richard Drew, Rural Partner, Carter Jonas  
John Chilver, Cabinet Member for Resources  
Nick Henstock, Head of Regeneration and Major Property Projects

**8 UPDATE ON CRISIS SUPPORT 11.15am**

This item was discussed at the last meeting but the Committee requested some further information around the 6 month progress on the recommendations.

**Attendees:**

Martin Phillips, Cabinet Member for Community

Engagement  
Richard Ambrose, Head of Assurance

**9 BUDGET SCRUTINY INQUIRY - PROGRESS REPORT ONE YEAR ON** **11.25am** **51 - 58**

For the Committee to consider a twelve month progress report, provided by the Head of Assurance, on the implementation of recommendations that were accepted by Cabinet.

**Attendees:**

Richard Ambrose, Head of Assurance

**10 COMMITTEE WORK PROGRAMME** **11.50am** **59 - 60**

To note the Finance, Performance and Resources Select Committee Work Programme 2015/16.

**11 FINANCIAL PRESSURES ON THE BUDGET - CHILDREN'S SERVICES** **11.55am** **61 - 66**

To provide the Committee with a briefing and update on the financial pressures on the Children's Services budget in advance of the FPR Committee's budget scrutiny inquiry.

**Attendees:**

Zahir Mohammed, Cabinet Member for Education and Skills  
David Johnston, Strategic Director, Children and Young People

Carol Douch, Service Director, Child and Family Service  
John Huskinson, Finance Director

Lin Hazell, Cabinet Member for Children's Services  
(apologies received)

**12 EXCLUSION OF THE PRESS AND PUBLIC**

**To resolve to exclude the press and public as the following item is exempt by virtue of Paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information)**

**13 FINANCIAL PRESSURES ON THE BUDGET - CHILDREN'S SERVICES**

**14 DATE AND TIME OF NEXT MEETING** **12.45pm**

The Budget Scrutiny Inquiry will be taking place on Tuesday 19<sup>th</sup>, Wednesday 20<sup>th</sup> and Thursday 21<sup>st</sup> January 2016.

**2016 dates**

8 March  
3 May  
28 June

13 September  
1 November

## **Purpose of the committee**

The role of the Finance, Performance and Resources Select Committee is to hold decision-makers to account for improving outcomes and services for Buckinghamshire.

It shall have the power to scrutinise all issues in relation to the Council's strategic performance, financial management and corporate issues. This will include all areas under the remit of the Council's Headquarters and Business Services Plus (Business Unit). This includes, but not exclusively, responsibility for scrutinising issues in relation to:

- The Strategic Plan and Medium Term Financial Plan
- HQ Assurance responsibilities—including scrutiny of the strategic oversight of capital
- HQ Strategy & Policy responsibilities—including the strategic commissioning of Council resources.
- HQ Enterprise—including the commissioning of services from Business Services Plus such as legal services; and ICT; and the Council's strategic approach to communications and customers.
- The overall effectiveness of the scrutiny function
- Strategic alliances and partnerships with others externally—nationally, regionally and locally.

*By convention the Chairmen of the other Select Committees are invited to participate in the annual budget scrutiny inquiry, whereby the Executive's draft budget is automatically referred for scrutiny as part of the annual budget setting process.*

## **Webcasting notice**

Please note: this meeting may be filmed for subsequent broadcast via the Council's internet site - at the start of the meeting the Chairman will confirm if all or part of the meeting is being filmed.

You should be aware that the Council is a Data Controller under the Data Protection Act. Data collected during this webcast will be retained in accordance with the Council's published policy.

Therefore by entering the meeting room, you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes. If members of the public do not wish to have their image captured they should sit within the marked area and highlight this to an Officer.

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*For further information please contact:* Liz Wheaton on 01296 383856; Email [ewheaton@buckscc.gov.uk](mailto:ewheaton@buckscc.gov.uk)

## **Members**

Mr W Bendyshe-Brown  
Mr W Chapple OBE (VC)  
Mr S Lambert  
Mr D Martin

Mr B Roberts (C)  
Mr D Schofield  
Mr D Shakespeare OBE  
Mr A Stevens



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**Buckinghamshire County Council**  
**Select Committee**  
Finance, Performance and Resources

# Minutes

## *FINANCE, PERFORMANCE AND RESOURCES SELECT COMMITTEE*

**MINUTES OF THE FINANCE, PERFORMANCE AND RESOURCES SELECT COMMITTEE HELD ON TUESDAY 10 NOVEMBER 2015, IN MEZZANINE ROOM 2, COUNTY HALL, AYLESBURY, COMMENCING AT 10.00 AM AND CONCLUDING AT 12.45 PM.**

This meeting was webcast. To review the detailed discussions that took place please see the webcast which can be found at: <http://www.buckscc.public-i.tv/core/portal/home>  
The webcasts are retained on this website for 6 months. Recordings of any previous meetings beyond this can be requested (contact: [democracy@buckscc.gov.uk](mailto:democracy@buckscc.gov.uk))

### **MEMBERS PRESENT**

Mr W Bendyshe-Brown, Mr W Chapple OBE (Vice-Chairman), Mr S Lambert, Mr D Martin, Mr B Roberts (Chairman), Mr D Schofield, Mr D Shakespeare OBE and Mr A Stevens

### **OTHERS IN ATTENDANCE**

Mr M Appleyard, Ms A Colonnese, Ms J Moore, Mr J Sainsbury, Mr R Schmidt, Mr C Walkling, Mrs E Wheaton (Secretary) and Mr K Wright

### **1 APOLOGIES FOR ABSENCE/CHANGES IN MEMBERSHIP**

There were no apologies or changes in membership.

### **2 DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **3 MINUTES**

The minutes of the meeting held on Tuesday 29 September 2015 were agreed as a correct record, subject to Richard Ambrose's attendance being recorded.

The minutes of the special FPR Committee meeting held on Tuesday 13 October 2015 were agreed as a correct record.



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#### 4 PUBLIC QUESTIONS

There were no public questions.

#### 5 CHAIRMAN'S REPORT

The Chairman asked Steven Lambert to update Members on the Cabinet's response to the Rent-in-Advance Inquiry. Mr Lambert reported that the report was well received by Cabinet and the recommendations were agreed.

Mr Bendyshe-Brown commented that it was an excellent report and welcomed the review of the county council's policy on the use of the emergency local support budget. Mr Chapple went on to say that the Inquiry had been an excellent fact-finding exercise and suggested that the report should be shared with other local authorities.

#### 6 COUNTY COUNCIL FUNDING TO THE VOLUNTARY SECTOR

The Chairman welcomed Chris Walkling, policy officer for the voluntary sector and James Sainsbury, Head of Strategic Commissioning.

During the presentation, the following points were noted.

- Voluntary and Community sector organisations (VCS) are not-for-profit organisations, charities and community groups. This also includes housing associations as they are categorised as charities which explains why the volume of spend is particularly high.
- The paper looks at trends in funding to the voluntary sector and the Impact Assessment process which is carried out as part of the MTP (Medium Term Planning) process.
- Regardless of whether it is a grant or a contract, the process is the same with a focus on transparency.
- Recently there has been a change in standing orders and the threshold for going out to tender has increased from £50k to a new threshold of £173k which has had a significant impact on the voluntary sector.
- There has been a trend over the last seven years with a move away from grants to contracts. Contracts are more binding and can be monitored.
- The council is developing its social value and looking at how it impacts on the VCS.
- Bucks Learning Trust received a very substantial grant which has now changed into a contract so this organisation will not appear in the grants to VCS list in future.
- 209 vendors fit the profile of VCS organisations.
- Equality Impact Assessments form part of the MTP process and the threshold for conducting an EIA differs as it is very resource intense.

During discussion, the following questions were asked.

- **A Member asked when decisions around cutting funding to a VCS take place and asked for reassurance that organisations affected by any funding decisions are given sufficient advance notice.** Decisions are made by the commissioners who know when contracts are about to come to an end and organisations would normally be given at least three months' notice of any changes to their funding. The annual budget scrutiny process provides an opportunity for decisions to be challenged.
- **Why is the Citizen Advice Bureau's Money Advice Project listed under a number of service areas and does the funding relate to the same project?** It is one piece of work where the total amount of funding is £50k, but it is jointly funded by the service areas.



- **How does the budget freeze which was announced recently affect the VCS?** The VCS budget is set at the beginning of the financial year and payment is made upfront to the organisations so there should not be any immediate impact on the VCS. There are break clauses written into the agreement but the shortest break clause is six months.
- **How and when are local Members involved in the process around commissioning to VCS organisations in their own area?** Within the commissioning framework, commissioners are asked to consult with local members and there is training around engaging with local members.
- **For the last two years, Members of the budget scrutiny have requested that there be more flexibility around the threshold for an EIA in the voluntary sector as a £40k reduction to a charity's funding budget could result in the charity collapsing.** The decision around the £50k threshold is made by the Cabinet Member. The Chairman asked the officer to provide a more detailed response to be circulated to Members after the meeting.
- **Some Business Units give funding to the same VCS and collectively this adds up to £50k would the organisation qualify for an EIA?** The Chairman asked for this to be included in the response.

**Action: Chris Walkling**

- **Some VCS organisations need funding for very specialist and professional support (ie. Alzheimers support). Simply Walks, pub lunches could be handled by the communities so is there any proportionately in terms of social value.** There are competing demands and there is a need to understand the market place in order to deliver the outcomes required. Commissioners are aware of this and they do bear this in mind when applying the social value test.
- **Why was Chiltern District Council awarded funding for an affordable warmth project?** The officer agreed to look into this after the meeting and send a response to Members after the meeting.

**Action: Chris Walkling**

## SEE PAPERS AND WEBCAST FOR FULL CONTENT

### 7 CRISIS SUPPORT INQUIRY - PROGRESS REPORT ONE YEAR ON

The Chairman welcomed Janice Moore, Anna Colonesse and Chris Walkling to the meeting to provide a six months progress report on the crisis support inquiry. It was noted that the responsibility for delivering on the outcomes falls across three different council service areas.

There has been progress against most of the recommendations. Some of the recommendations were going to be delivered through the Bucks Network and the county council can no longer provide secretariat for this forum. This forum has been renamed to the Bucks Network Welfare Reform Group which is being chaired by Mike Veriyard. A meeting is due to take place at end of November. It was agreed that this would be the best vehicle for moving forward on the three recommendations.

During discussion, the following questions were asked.

- **How much money has been provided to central aid and how many food parcels have they delivered to the rural parts of the county?** Central Aid has only just started delivering to the rural areas so it is early days but the parcels are put together by the One Can Trust. It is a work in progress.

- **Members asked to see a copy of the activity plan to promote Credit Unions.** This will be circulated to Members after the meeting. Libraries are being used as part of the promotion plan.
- **Members asked for further clarification around how the subordinated loans will work and how the money will be recycled.** It was agreed to invite the Cabinet Member and Finance Director to provide a fuller response on this – either in writing or by attending the December meeting.

**Action: Cabinet Member/Finance Director**

- **Committee Members assigned a RAG status to the recommendations which will be attached to the minutes.**

## **SEE PAPERS AND WEBCAST FOR FULL CONTENT**

### **8 UPDATE ON DIGITAL STRATEGY**

The Chairman welcomed Matthew Cain, Head of Digital Strategy, to the meeting. During the presentation, the following main points were made.

- Great progress has been made particularly with the launch of a new system in the contact centre.
- The customer journey needs to be fit for purpose and there needs to be a redesigning of council services to make them more digital.

During discussion, Members asked questions around the following areas:

- Use of live chat;
- Bringing together of TfB's website and the council's main website;
- Devolution of services and maintaining a good customer journey;
- Frequency of mystery shoppers to monitor the call holding times and the re-introduction of the name recognition service;
- Lessons learnt from other authorities and what "good" looks like;
- A Member commented on the recent excellent Member briefing on the digital strategy.

It was agreed to invite Matthew Cain to a Committee meeting early next year to provide a progress report on the areas mentioned above.

## **SEE PAPERS AND WEBCAST FOR FULL CONTENT**

### **9 BALANCED PERFORMANCE SCORECARD AND JOINT BUDGET MONITORING REPORT Q2**

The Chairman welcomed Richard Schmidt, Head of Strategic Finance and Kevin Wright from the HQ Business Intelligence team to the meeting.

During the presentation, the following main points were made.

- The balanced performance scorecard and joint monitoring budget monitoring report Q2 were discussed at the recent Cabinet meeting. The scorecard shows the council has an overspend position.
- The council is experiencing considerable demographic pressures, particularly within Adult Social Care and Children's Services.
- The Future Shape restructuring has had an impact within the property services.

- Overall, 44% of the council's indicators are green, 25% of the performance indicators are amber.

During discussion, Members asked the following questions.

- **What will the impact of the recent budget freeze have on the scorecard?** The report was written before the budget freeze on non-essential spend was announced so it is not reflected in this but Business Units will be asked to report back on the implications. By trimming non-essential spend, the aim is to bring the budget back on target.
- **A Member asked for clarification about the demographic pressures within children's services and what is causing this.** The mix of the population is changing. The increased media attention around Children's Services puts more demand on the service and support agencies. Staffing issues, in terms of recruitment and retention, have placed enormous challenges for some service areas and these areas are actively working to address this.
- **There is a gap between the strategic plan and the results of the Q2 ratings, why were the Cabinet Member's not flagging these issues earlier?** At Q1, the financial overspend was emerging, but what is becoming apparent are the continuing pressures and some of these pressures are proving harder to find solutions for and alternative solutions are being looked into. The aim is to minimise the impact on performance.
- **Is the council in a crisis situation?** The budget freeze is about stopping non-essential spend rather than stopping essential spend. It is not a crisis situation.
- **Last year, the council was looking at a 4% shift in the budget into the areas which had an overspend. With this current freeze on non-essential spending, will the budget be back in black by the end of the year?** The council is taking corrective action so that it will be "in the black" by the end of the financial year. The council has a good track record of delivering against the targets.
- **In terms of the recruitment freeze, last year the budget scrutiny inquiry recommended a reduction of agency staff and an increase in permanent staff so how will the freeze affect the agency staff costs?** The officer was unable to comment on the exact reasons around the falls and the rise of agency staff but there can be some fluctuations between quarters.
- **Concern was expressed about making people redundant and then bringing in agency staff to fill the gap.** In social care, progress has been made in recruiting permanent staff to avoid the use of agency staff.
- **This issue will be discussed in more detail during the budget scrutiny process.**
- **A Member commented that the council had planned by 2018 to be self-supporting and not rely on support from central government. The Member felt that in order to achieve this the council needed to make both managerial and structural changes within the organisation.**

**SEE PAPERS AND WEBCAST FOR FULL CONTENT**

## **10 COMMITTEE WORK PROGRAMME**

Members noted the work programme. An update Crisis Support will be added to the December agenda and an update on the Digital Strategy will be added to the work programme for the March meeting.

**Action: Liz Wheaton**

## **11 DATE AND TIME OF NEXT MEETING**

The next meeting will take place on Tuesday 15 December 2015.

## **12 FINANCIAL PRESSURES ON THE BUDGET - ADULT SOCIAL CARE**

The Chairman welcomed Mike Appleyard, Cabinet Member for Adults and Social Care, Rachel Rothero, Service Director and Adrian Isaacs, Service Finance Manager.

During the presentation, the following points were made.

- Pressures on residential care costs have reached the point where the costs cannot be reduced any more.
- The Capita report made some recommendations which have already been exhausted so looking for alternative solutions.
- New responsibilities under the Care Act. Care Quality Commission point(CQC) for market oversight and Local Authorities for continuity of services if a provider / facility fails.
- The care market seeing a polarisation between self-funders and Local Authority (LA) funded. LA's are effectively competing with self-funders and Clinical Commissioning Groups (CCG's). Limitations in the market are staffing availability. Biggest risks are linked to supply of nursing and care staff and financially the introduction of the national living wage and how this will be funded. New entries into the market are targeting self-funders. However Local Authority is still biggest purchaser.
- New respite responsibilities driving up demand for short term placements.
- Costs associated with using agency staff is still a major issue for the service. More social workers and nurses are needed in the system.
- Looking at alternative solutions to the housing problem – retirement villages.
- The service has to find savings of around £5-6m of which some will come from the commissioning process.

During discussion, the following areas of concern were raised by members:

- Nursing homes should be asked to contribute to the increased costs of care.
- With providers looking to do things differently, will this have an impact on the quality of the service.
- Concern over whether the service currently has the resources to deliver its future plans.

### **SEE PAPERS AND WEBCAST FOR FULL CONTENT**

## **13 EXCLUSION OF THE PRESS AND PUBLIC**

### **RESOLVED**

**That the press and public be excluded for the following item which is exempt by virtue of Paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information)**

## **14 FINANCIAL PRESSURES ON ADULT SOCIAL CARE**

Members discussed the confidential appendices relating to the financial pressures on Adult Social Care.

**CHAIRMAN**



**Scrutiny Inquiry Progress Update on Recommendations**  
**Interim/Final Progress Report (6 months on) delete as appropriate**




**Select Committee Inquiry Report Completion Date:** April 2015 (Cabinet)


**Date of this update:** 10 November 2015




**Lead Officers responsible for this response:** Lloyd Jeffries (1, 2, 3, 9); Phil Dart (5a); Richard Ambrose (6)

**Cabinet Member that has signed-off this update:** Martin Phillips


Accepted Recommendations	Original Response and Actions	Progress Update	Committee Assessment of Progress (RAG status)
<p><b>1a:</b> That the local emergency team promotes the local number alongside the 0845 number. These numbers should be promoted to all partner agencies and District Councils as well as promoted to all County Councillors and service areas within the county council (particularly Children and Families).</p> <p><b>1b.</b> The LES number and information about local emergency support (with links to partner agencies and organisations) needs to be given prominence on the county council's website.</p>	<p>The original 01296 395000 can still be dialled and be connected to the call centre. The Local Emergency Support Team will promote the local number in future and the leaflet and website will be updated accordingly.</p>	<p>Already completed and in place. The local number for applications is 01296 382414, alongside the 0845 number.</p> <p>Local Emergency information and partner agency support including on-line application portal available at <a href="http://www.buckscc.gov.uk/les">www.buckscc.gov.uk/les</a></p> <p>Local Emergency Support applications are being piloted with the digital Firmstep platform.</p> <p>(Lead Officer: Janice Moore, Direct Services Team Manager)</p>	<p align="center"></p> <p align="center"></p>

Accepted Recommendations	Original Response and Actions	Progress Update	Committee Assessment of Progress (RAG status)
<p><b>1c.</b> The LES team to develop the idea of “Bucks Support” to help improve access to emergency support services for people in crisis via the county council’s website.</p>	<p>The Bucks Network – an officer level partnership – has a well-established task and finish group working on the topic of Welfare Reform, whose work is recognised as good practice nationally. The Council will work with partners through the Network to consider how we can jointly improve access to emergency support services for people in crisis within existing resource</p>	<p>Links to emergency support services are available via <a href="http://www.buckscc.gov.uk/les">www.buckscc.gov.uk/les</a></p> <p>(Janice Moore)</p> <p>The Bucks Network Welfare Reform Group is currently reviewing its function, following its last meeting in June 2015.</p> <p>The Welfare Reform Group remains the most suitable partnership forum for taking this recommendation forward. The Group is likely to next meet in late November / early December 2015.</p>	
<p><b>2:</b> That the Local Emergency Support team works with the relevant partner agencies to share their current processes with the aim of reducing duplication of effort where possible.</p>	<p>The Local Emergency Support Team works with relevant partner agencies sharing current practices. In particular, where partners become Local Emergency Support Team referring agencies, this is reducing duplication of effort. This practice will be rolled out further across the county where applicable.</p>	<p>All known partner agencies have received information about the on-line portal access and direct access to LES Mailbox. This is working well since up and running.</p> <p>(Janice Moore)</p>	
<p><b>3a:</b> That the local emergency support team considers administering the red voucher system along</p>	<p>The Cabinet has considered this but the Local Emergency Support Team are already a referring agent of the red voucher system that operates for the Trussell Trust. Same day vouchers can be</p>	<p>LES have streamlined the process to the Out of Hours service by direct referral from the team if the application warrants same day service.</p>	

Accepted Recommendations	Original Response and Actions	Progress Update	Committee Assessment of Progress (RAG status)
<p>with other partner agencies so that the needs of those facing a 'level one' crisis can be met immediately and statistical information relating to the use of Foodbanks is collected, on a quarterly basis, in a central place.</p>	<p>obtained from Aylesbury and Chesham jobcentres, District Councils and all Citizen Advice Bureau's.</p> <p>Buckinghamshire County Council operates an Out of Hours Service which ensures that anyone fitting the criteria (as per the Local Emergency Support Policy) is able to have immediate access to food via the support worker.</p> <p>Where appropriate, the Local Emergency Support Team will also assist the 'set up' of food banks where the need in rural areas is required.</p> <p>The Local Emergency Support Team currently collects quarterly returns from the Aylesbury Vineyard/One Can Trust and the Chiltern Foodbank and will investigate ways of extending the data collection in order to provide a more comprehensive picture of the use of Foodbanks.</p>	<p>(Janice Moore)</p> <p>With the support LES have given to Central Aid they are facilitating the service in rural areas by promoting this service out in the community. This will include emergency food parcels to the most vulnerable in rural areas.</p> <p>(Janice Moore)</p>	
<p><b>5a:</b> That the County Council actively promotes Credit Unions as a method of saving and also as an alternative to the existing payday loans.</p>	<p>The Council is already actively promoting Credit Unions as a method of saving and as an alternative to payday loans to its staff, and is supportive of continuing its activity in this area. However, the Council recognises the recommendation goes wider and there is a need to ensure that there is a co-ordinated promotion to residents through service delivery.</p>	<p>The Council has a plan of activity to promote the credit unions to residents, including a series of presentations from the Credit Unions to key frontline staff and providers who work with those residents who may benefit most from their services.</p> <p>(Chris Walking, Policy Officer, Voluntary Sector)</p>	





Accepted Recommendations	Original Response and Actions	Progress Update	Committee Assessment of Progress (RAG status)
<p><b>5b:</b> The LES team, in conjunction with other partner agencies, should seek assistance from the corporate communications team to develop a communications and engagement plan to target relevant groups and organisations.</p>	<p>The Cabinet is supportive of developing targeted communications and engagements, subject to the availability of resources. This would need to be developed on a wider partnership basis and the Council will therefore take this recommendation forward through the Bucks Network, including with Credit Union involvement.</p>	<p>The Bucks Network Welfare Reform Group is currently reviewing its function, following its last meeting in June 2015.</p> <p>The Welfare Reform Group remains the most suitable partnership forum for taking this recommendation forward. The Group is likely to next meet in late November / early December 2015.</p>	
<p><b>6:</b> That the County Council explores the possibility of depositing a sum of money from the LES budget with the Swan Credit Union and M for Money Credit Union to allow people to convert their existing payday loans to more manageable loans. This scheme would need to be monitored by the LES team.</p>	<p>The Cabinet is aware that Universal Credit has not yet been rolled out in Buckinghamshire and it is important to ensure that we retain scope within the local emergency support budget to respond to future pressures. Subject to this, we will investigate the potential for supporting the Credit Unions with loan schemes.</p>	<p>BCC is having discussions with the credit unions on establishing a crisis loan scheme. BCC is considering making a subordinated loan to the credit unions to help establish the scheme.</p> <p>This will be discussed further at Cabinet on 9<sup>th</sup> November.</p> <p>(Richard Ambrose, Director of Assurance)</p>	
<p><b>8:</b> That the County Council commits to strengthening its partnership working by fully engaging with the existing partner agency</p>	<p>The Council will continue to support the Bucks Network's work on the impact of welfare reforms and crisis support, within existing resources. This partnership group includes representatives from a wide range of partners. The council will continue</p>	<p>The Bucks Network Welfare Reform Group is currently reviewing its function, following its last meeting in June 2015.</p> <p>The Welfare Reform Group remains the</p>	



Accepted Recommendations	Original Response and Actions	Progress Update	Committee Assessment of Progress (RAG status)
networks. Ensure representatives from the mental health team, social care, local emergency support team and the Health and Wellbeing Board are linked in with the relevant external partner agency meetings.	its support for this partnership work and encourage further links with the Health and Wellbeing Board.	most suitable partnership forum for taking this recommendation forward. The Group is likely to next meet in late November / early December 2015.	
<p><b>9:</b> That the County Council apportions the local emergency support budget to the different levels of support. Level one support to be administered via Service Level Agreements with the partner agencies for them to deliver services and support to people in crisis. Level two support to be allocated an amount of the budget to continue to support people to live independently and to receive the ongoing support and advice. Level three support to receive a proportion of the budget to focus on preventative measures to reduce the future demand on level one</p>	<p>The Council agrees the recommendation to administer Level One with partner agencies for them to deliver services and will explore this with partners.</p> <p>With a proportion of the Local Emergency Support funding allocated to supporting Level One, the remaining Local Emergency Support funding allocation should remain with the Local Emergency Support Team so that there is sufficient flexibility depending on the need/requirement.</p>	<p>Level one support with partner agencies in progress. Procedures along the same lines as the Out of Hours service criteria.</p> <p>To offer short term assistance through our partner agencies with a follow up application to the LEST from them....this will capture on going requirement-level 3 support.</p> <p>(Janice Moore)</p>	

Accepted Recommendations	Original Response and Actions	Progress Update	Committee Assessment of Progress (RAG status)
support.			

*RAG Status Guidance (For the Select Committee's Assessment)*

	<i>Recommendation implemented to the satisfaction of the committee.</i>		<i>Committee have concerns the recommendation may not be fully delivered to its satisfaction</i>
	<i>Recommendation on track to be completed to the satisfaction of the committee.</i>		<i>Committee consider the recommendation to have not been delivered/implemented</i>



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**Select Committee**  
 Finance, Performance and Resources

# Minutes

## *FINANCE, PERFORMANCE AND RESOURCES SELECT COMMITTEE*

**MINUTES OF THE FINANCE, PERFORMANCE AND RESOURCES SELECT COMMITTEE HELD ON TUESDAY 29 SEPTEMBER 2015, IN MEZZANINE ROOM 2, COUNTY HALL, AYLESBURY, COMMENCING AT 10.00 AM AND CONCLUDING AT 12.15 PM.**

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### **MEMBERS PRESENT**

Mr W Bendyshe-Brown, Mr W Chapple OBE (Vice-Chairman), Mr S Lambert, Mr B Roberts (Chairman), Mr D Schofield, Mr D Shakespeare OBE and Mr A Stevens

### **OTHERS IN ATTENDANCE**

Mr J Chilver, Ms M Granat, Mrs C Gray (Secretary), Ms F Mills, Mr C Rawson and Mr M Tett

### **1 APOLOGIES FOR ABSENCE/CHANGES IN MEMBERSHIP**

Apologies were received from David Martin.

### **2 DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **3 MINUTES**

The Minutes of the Meeting held on 14 July 2015 were agreed as a correct record.

### **4 PUBLIC QUESTIONS**

There were no public questions.



INVESTOR IN PEOPLE



## **5 CHAIRMAN'S REPORT**

Members agreed the scoping paper for the budget scrutiny inquiry which was due to take place on 19-21 January 2016.

A Special meeting was being held on 13 October 2015 to agree the Rent in Advance Inquiry, which was being submitted to Cabinet on 10 November 2015.

## **6 AN UPDATE ON THE CONNECTED COUNTIES HIGH SPEED BROADBAND ROLL OUT ACROSS BUCKINGHAMSHIRE**

John Chilver, Cabinet Member for Resources and Christopher Rawson, Special Projects Manager attended for the meeting. The report was an information item on the rollout of high speed broadband across the County.

During the presentation the following points were noted:-

- Ubiquitous availability of next generation broadband infrastructure and access to superfast and reliable speeds remain a local and national priority.
- In partnership with Central Government, Local Authorities are spearheading delivery at a county level through supplier contracts, 'match' funding and other supporting activities. In Buckinghamshire the conduit for much of this is the Connected Counties Project, which is a partnership with Local Authorities, Government (through Broadband Delivery UK), Hertfordshire, Local Enterprise Partnerships and BT, with the intention of extending fibre broadband coverage to 90% of homes and businesses by March 2016.
- The Project was 80% complete and on target to be completed by the end of March. The next steps include extended coverage through an agreed Superfast Extension Programme from BT, in partnership with three District Councils, LEP and Government through a procurement process. One of the local requirements is to ring fence money geographically for each DC to provide a solution for long term issues and challenges.
- Monthly take-up data has confirmed that this has now increased to 23%, which places this project in a strong position nationally against peers. Work was being undertaken to improve take-up further as this funding would be reinvested in extending superfast broadband even further with a clawback mechanism for any underspent capital monies.
- Quarter 2 will be the first BT invoice that would require the use of local funds as to date Government funding has been paid to BT. A total of £3.7m of local funds are available, with £2m contributed by the Council and £1.7m from the LEP.
- The Council are waiting to hear about universal service commitment and the anticipated voucher scheme to help homes and businesses that cannot access download speeds of at least 2 Mbps. There were two trials in West Yorkshire and Suffolk using Fixed Wireless Access technology. AVDC are undertaking a Broadband pilot (Aylesbury Vale broadband) and Gigaclear are building fibre networks on the western edge of the Vale. In relation to the tri county debate officers would look at driving efficiencies through economies of scale.

During questions the following points were noted:-

- Reference was made to the fact that Connected Counties had upgraded some boxes but not others and how gaps and not spots were addressed in built up areas and the roll out of infrastructure to small villages. The roll out of Openreach was driven by the Chief Engineer Model, which would look at the rationale and conditions for network upgrades. Each individual cabinet has its own business case and the modelling process determines this based on a number of factors. Fairford Leys has been a problem with not spots and adequate infrastructure; some areas would have between 10/20 lines others up to 600 lines. The business case would look at the amount of revenue

generated and the level of infrastructure investment, alongside speed profiles and the number of premises served. Fibre deployment was more flexible than copper in the sense that it can be sourced from another exchange, such as Winslow being fed by fibre from Buckingham.

- The cost of the service was an important factor. One of the delivery models for the voucher scheme was through satellite and should help specific locations where broadband speeds remained poor or particularly isolated communities' e.g small farms. The Council was lobbying as it does not have access to the Super Connected City Voucher Scheme and there was a concern that the funding would run out from the Government following the Comprehensive Spending Review. Satellite delivery was limited in terms of speed upload and data was expensive if you were a heavy user. Discrete solutions could be looked at by other providers such as Openreach and Gigiclear, if there was an appetite from the local community to get more involved.
- By March 2016, superfast broadband coverage in the County will be above 90%. The Superfast Extension Programme allocation of £2.5 million aims to push figures beyond 95%. Buckinghamshire County Council was not in a position for the second time to match this funding which was being provided through District Councils and also a bid through the Local Enterprise Partnership. There were state aid rules which governed the process and provision of service. In terms of the provision in the Princes Risborough area this was subject to negotiation but the slippage should be absorbed to meet timescales; however the decision to accept supplier's proposals lay with the District Council. The Member from this area commented that the minimum requirement was 2Mbps and it was at 1.43Mbps yesterday; therefore they were looking forward to the upgrade as soon as possible. Another Member commented that he lived on the edge of High Wycombe but still had poor speeds. The Special Projects Manager reported that whether residents lived in a rural /urban area, data was treated equally depending on existing provision of broadband and the expected upgrades over a 3 year period, which define precisely which locations can be tackled using State Aid funds. Bucks Business First and the Local Enterprise Partnership were prioritising rural businesses and also to help homeworking.
- Village Networks provided a broadband solution to rural areas but it may be limited by topography and line of site, which may be impacted by hills or direct obstacles.
- A Member commented that Aylesbury and other areas had a growing population and that it should be emphasised that new developers ensure that there is adequate infrastructure when houses were built. He gave an example of the Berryfields development. Housebuyers did look at broadband speeds now when buying houses. This depended on how far planning authorities were willing to push this. Reference was made to solar heating broadband technology built into houses in Bicester and Banbury.
- Virgin media have selected Chesham as a location to trial new technology given their network presence and response to local engagement. The outcome of this will be a free Wi-Fi Zone in the town centre aimed at supporting businesses and visitors. A Member asked whether this would be extended to Wycombe or Aylesbury? The Special Projects Manager reported that this was installed through a series of pods on street side cabinets and may be extended to support town centre traffic and air quality sensors. If the trial was successful and the business case robust, then there was a possibility that this could be extended into other areas such as Aylesbury, Wycombe, Gerrards Cross and Wendover.

Members thanked the Special Projects Manager and commented that it was important to write to District Councils to ensure that all new developments include Broadband provision and that this was installed early so that roads did not have to be dug up at a later stage.

## **7 TO PROVIDE AN UPDATE ON THE CONTRACT MANAGEMENT FRAMEWORK AND CONTRACT MANAGEMENT APPLICATION**

Michelle Granat, Head of Innovation and Commercial Services and Tony Fish attended the meeting to provide an update on the strategic review of the Contract Management Framework and Contract Management Application.

In their presentation they reported that the Council had introduced the concept of Supplier Relationship Management (SRM) to improve the skills and capability of the Council to effectively manage contracts and supplier relationships, which support commissioning and commercial activities. The Council has been unable to recruit a SRM Lead primarily due to the niche nature of the role. The Council have historically employed interims and for this CMF and CMA refresh, Tony Fish has been contracted until the end of December. It was important that managers and business units have a consistent approach to contract management and supplier relationships. A Contracts Management Application was developed to support the new Contract Management Framework. However, some Business Units are benefitting more than others, which may support the development of a more adaptable and customised solution.

One area that was key was the need to ensure visibility and to allow more opportunity to collaborate across the Council to join up knowledge and build on good practice. The key core components are in place and there needs to be good access to key documentation. It was important to track performance, evidence the benefits and make savings on contracts. In terms of internal governance there was an Advisory Group and contract leads in each Business Unit. Reporting protocols were being developed including a handbook and toolkit. There was also a training programme in place. Actions had been taken as a result of the CMA Internal Audit Risk Management Report. A Project Plan was attached as part of the report on key milestones.

During discussion the following points were noted:-

- At the last Regulatory and Audit Committee a question was asked about Member involvement in contract and supplier relationships to enable effective knowledge share, support and challenge. Members asked for more information on this area. Members would be engaged in the review. There had been limited involvement so far just involving the Cabinet Member and his Deputy, but all Member's would be involved shortly. Members suggested that it a session should be set up as soon as possible so that Members can help influence the design and implementation of the process. The Head of Innovation and Commercial Services reported that work was also being undertaken on the Commissioning Cycle, which Members had been recently involved in which linked into this area of work.
- A Member emphasised the need for engagement with Members at the pre-commissioning stage. It was not only important for Members to have early warning of contracts but to have information on what level of contract was being discussed e.g platinum and whether it would have significant impact on local communities. In addition to be kept informed at different stages of the commissioning cycle. This may be managed through the CMA system.
- In relation to this, Members would also find it useful to find out when changes occurs in a contract. Officers would need to be briefed on what point Members need to be informed depending on the scale and impact of the changes. This could include trigger points. The Head of Innovation and Commercial Services was working closely with the Head of Strategic Commissioning to ensure that information provided to Members during the Commissioning Cycle was robust and that appropriate training was in place for key officers.

Michelle Granat and Tony Fish were thanked for their presentation and asked to organise a Member briefing as soon as possible on the contract management process.

## **8 PRUDENTIAL BORROWING - VALUE FOR MONEY ARGUMENT**

Martin Tett, Leader and Richard Ambrose, Head of Assurance attended for this item. A report was circulated relating to the value for money argument for prudential borrowing in relation to highway infrastructure. The Chairman reported that the two recommendations outlined in the report were an either/or option.

Members were having this discussion as interest rates were currently low. The Chairman had asked the Director of Assurance to provide options which were detailed at paragraph 42 to 52 of the report in order to minimise impact on revenue. This item provided an opportunity to discuss the pros and cons of prudential borrowing, particularly for highway infrastructure in public and to decide whether to put forward a recommendation to Cabinet to consider this option further.

During discussion the following points were noted:-

- The report provided information on other Authorities who had undertaken prudential borrowing for highway infrastructure such as Milton Keynes Council, Blackpool Council and Surrey County Council. The County Council had undertaken prudential borrowing where a good business case has been put forward such as the energy for waste facility. However the Leader had expressed concern about borrowing money for roads because of the long term commitment it imposed on the revenue budget and the lack of return on investment.
- Members looked at Milton Keynes Council who had used prudential borrowing for highway infrastructure and had invested money on a scheme by scheme basis with a sense check against the current market in terms of benchmarking and value for money for schemes. Members commented that if further funding was obtained through prudential borrowing that this should be put out to competitive tender as recent experience had shown that this process had saved money and more roads could be resurfaced. Reference was made to the example of Surrey County Council who had used bulk buying in order to save money.
- A Member commented that use of prudential borrowing at low interest rates could provide a boost to the budget. There would also be a reduction in insurance claims and also pothole repairs, some of which had to be repaired again following recent work, which was not an efficient use of funding.
- Reference was made to paragraph 10 and paragraph 18 of the report which referred to the continuing decline in the highway network and targeted investment would significantly extend the life of the current highway assets and would produce savings.
- It costs £10million per annum to keep the roads in a steady state without addressing the backlog in maintenance.
- The Leader responded that he had responsibility across all Services in the Council and the impact of prudential borrowing for highway infrastructure would affect services which were a high priority such as vulnerable children, older people etc. There were already severe pressures on the budget due to increasing demand and the maintenance budget for roads needed to be protected to ensure there was enough funding to repair roads during a bad winter. The Council were looking at an improved asset management approach whilst prioritising the vulnerable.

Members agreed that the principle of prudential borrowing should be put forward to Cabinet for discussion and that if further funding was obtained that this be put out to competitive tender to obtain value for money.

The Select Committee have carried out their task looking at all aspects of prudential borrowing (following the budget scrutiny recommendation), and agreed to refer it to Cabinet to show openness and transparency in terms of identifying other options for funding the repairs to roads. Members agreed that there should be no specific figures in the recommendations as

the discussion centred round the principle of prudential borrowing; Cabinet would now need to consider the principle and if agreed as a way forward to look at financial options.

On a vote being taken (six in favour, one against) the following recommendation was agreed:-

**1 To ask Cabinet to consider the principle of using prudential borrowing to invest in highway infrastructure (capital assets).**

**2 If prudential borrowing is agreed that any capital obtained as a result of borrowing be used in a competitive tendering process to obtain maximum value for money on highway schemes.**

## **9 UPDATE ON LEADERSHIP DEVELOPMENT**

Frances Mills, Head of People Strategy and Organisational Development updated Members on workforce development activity around Leadership and Project Management. Under the Council's Operating Framework there is a One Council Skills Programme that supports the Council's ambition to be a commercially minded, customer focussed, digital and agile organisation.

The Council looked at effective commissioning of learning and development in terms of generic skills and Business Unit specific skills which are referred to in their own Learning and Development Plans. Every individual should have a discussion about their skills and learning as part of their Delivering Successful Performance reviews. At the last Leadership Development meeting it was agreed that the scope of the leadership programme should include all Managers.

Prince 2 has been the preferred project management tool but for the past year the Council has been piloting agile project management techniques which enable greater flexibility in terms of changes being made more easily during the life of the project. The Head of Innovation and Commercial Services is undertaking a review of project management with the objective of producing a framework tool. The Council will continue offering Prince 2 and agile management training.

During questions the following points were made:-

- A Member commented that there were a number of different courses relating to stress and suggested that these courses could be rationalised to reduce costs. Cabinet statistics show that this Council is below the national benchmark in terms of stress.
- The Head of Innovation referred previously to the difficulties in recruiting a Lead for Supplier Relationship Manager and Members commented that it would be helpful to upskill its own staff as much as possible to allow flexibility in their roles. In addition to look at the market place more closely in terms of offering the right package and support to do this role.
- Good practice would be encouraged across the organisation such as the Transport, Economy and Environment Business Unit Learning and Development Strategy.
- With austerity the first thing area that is usually impacted is training. The Head of People Strategy and Organisational Development reported that this had not been impacted as Members and Senior Managers had set aside funding for the Future Shape Programme to include training. This contract would continue until 2017. They were also looking at more e learning and other creative ways for learning and development.
- Other companies use e-learning packages for learning and development which includes an examination at the end. There are some social care packages where mock assessments are undertaken which may be broadened out to a requirement before they join the organisation.



Frances Mills was thanked for her informative report.

## **10 COMMITTEE WORK PROGRAMME**

Members noted the Work Programme.

Members asked that there be a Broadband Update next year at the March meeting particularly looking at the delivery of the Project and providing value for money and identifying areas of investment.

The Committee Adviser reported that the report title relating to the voluntary sector infrastructure would be amended slightly.

## **11 DATE AND TIME OF NEXT MEETING**

13 October (special meeting) and 10 November 2015.

Clare Gray, Committee Adviser was thanked by Members as this was her last meeting of the Select Committee before taking up a new post.

*Post-meeting note: These minutes were agreed as a revised correct record by the Chairman on 1 December 2015. These minutes replace the previous version of the minutes agreed as a correct record by the FPR Committee at its meeting on 13 October 2015.*

**CHAIRMAN**





## Buckinghamshire County Council Select Committee

Finance, Performance and Resources Select Committee

### Report to the Finance, Performance and Resources Select Committee

<b>Title:</b>	<b>Income Generation Strategy</b>
<b>Committee date:</b>	Tuesday 15 December 2015
<b>Author:</b>	Richard Schmidt, Head of Strategic Finance
<b>Contact officer:</b>	Richard Schmidt, 01296 387554, rschmidt@buckscc.gov.uk
<b>Cabinet Member sign-off:</b>	John Chilver, Cabinet Member for Resources

#### **Purpose of Agenda Item**

This report provides the Select Committee with an opportunity to comment on the first draft of the revised Income Generation Strategy. Following consultation with stakeholders the Strategy will be presented to Cabinet for approval with a view to coming into effect from 1 April 2016.

#### **Background**

At present the Council has a number of related documents in respect of Income. There is an Income Generation Strategy, a Charging Policy and a Trading Policy, all of which are posted on the Intranet. These were last reviewed at the end of 2012. With the passage of time and the implementation of the Council's new Future Shape arrangements it is now appropriate to revisit these.

#### **Summary**

The Council finds itself caught in the jaws of rising service demand and reducing funding from central Government. To address this very substantial challenge the Council needs to adopt a range of strategies, of which one is to consider how it can maximise its income. The Income Generation Strategy aims to set out how the Council will go about this task.

#### **Key issues**

There have been a number of changes in circumstance since the previous Income Generation Strategy was approved in February 2013. That document focussed on three



key principles of: Changing the Culture of the Organisation; Changing Approaches and; Introducing New Method of Working. Much of this work either has been undertaken, or is in the process of being undertaken through the Future Shape Programme. Commercial Training has been provided to managers across the Council, a number of significant Alternative Delivery Vehicles have been set up and the corporate structure has been amended to reflect a more commercial stance. The revised Income Generation Strategy therefore focusses more directly on the principles to be followed in order to generate more income for the Council.

In line with the rationalisation of governance arrangements and supporting documentation through the Future Shape programme, the revised Income Generation Strategy also aims to consolidate the previous Income Generation Strategy, Charging Policy and Trading Policy into a single document.

In drafting the document presented to the Committee, regard has been had to the previous documents, the changed circumstances described above and has also benefited from the input of the Leadership Forum through a workshop to explore the principles to be covered.

### **Resource implications**

There are only minimal staff resource requirements arising directly from the production of the Income Generation Strategy. However there will be various resource implications arising from the implementation of the Strategy which cannot be readily predicted at this stage. Nonetheless if the Strategy is implemented effectively there should be a net gain of resources, which should be set out in the business case for individual initiatives.

### **Next steps**

Following review of the draft Strategy by the Select Committee, there will be further consultation with other key stakeholders such as the One Council Board and senior managers across the organisation. Following this consultation phase the Strategy will be updated to reflect views and presented to Cabinet for approval so that it can come into effect from 1 April 2016.

**Buckinghamshire County Council**

# **Income Generation Strategy**

**December 2015**

Draft V1.1

**Richard Schmidt**  
**Head of Strategic Finance**

# Income Generation Strategy

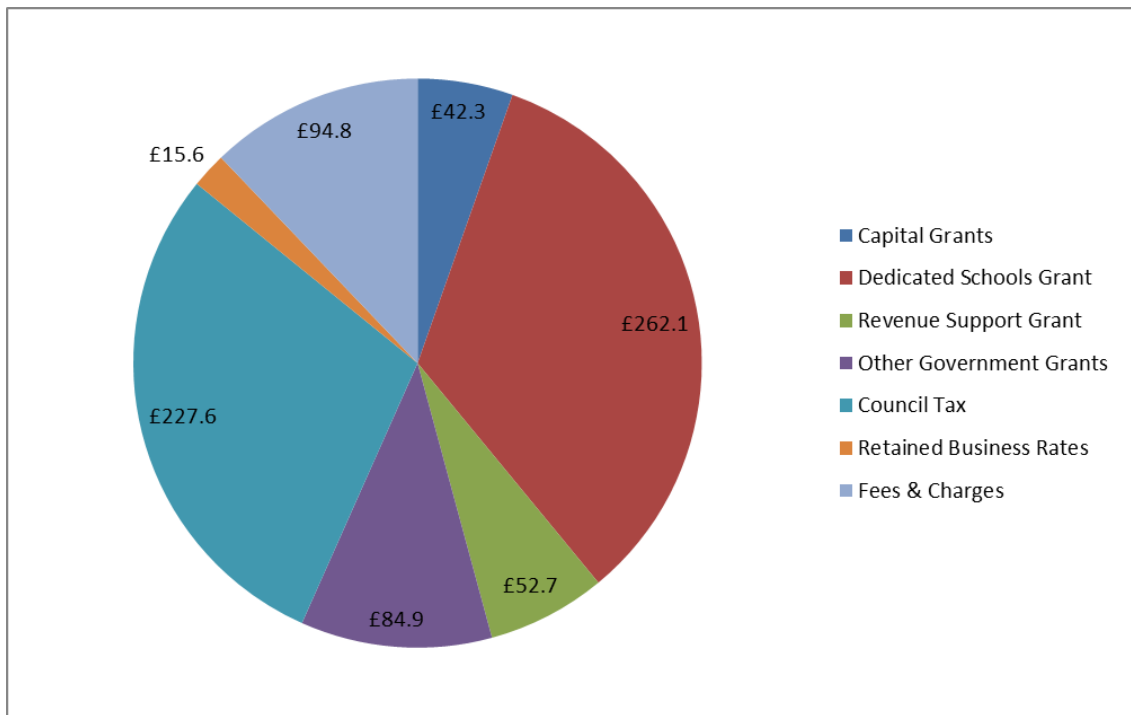
## 1.0 Introduction

- 1.1 The current financial climate for local government is very challenging and this is anticipated to continue at least into the medium term. The Government's strategy to addressing the national impact of a world economic recession has focussed on deficit reduction mainly through expenditure cuts. Under that strategy a number of high profile service areas, such as the NHS, International Development and schools have been relatively protected, meaning that non-protected service areas bear an even heavier burden of the cuts. For a range of reasons, local government, as a non-protected service area, has found itself at the forefront of the expenditure reductions.
- 1.2 Since 2010 grant funding from central Government to local government has been reduced by 40%. Due to the various grant streams and distribution mechanisms each local authority is affected slightly differently. For Buckinghamshire, Revenue Support Grant, the core Government grant has been reduced by £19m, or 31% from 2013/14 to 2015/2016. Comparisons prior to that are difficult due to a fundamental change in the funding mechanism for local government, but nonetheless it is clear that funding prior to that was also reduced substantially.
- 1.3 At the same time as Government funding is reducing, so demand on services is increasing. Demographics from an aging population and immigration, as well as medical advances leading to more complex needs and the wider economic downturn are all placing increased demand on local government services.
- 1.4 There are many actions the Council can take to try and meet these challenges, such as demand management, increased use of digital media, service re-design, etc. This strategy document, however, focusses on just one of those strands, the Council's approach to generating income.

## 2.0 From where does the Council get its Income?

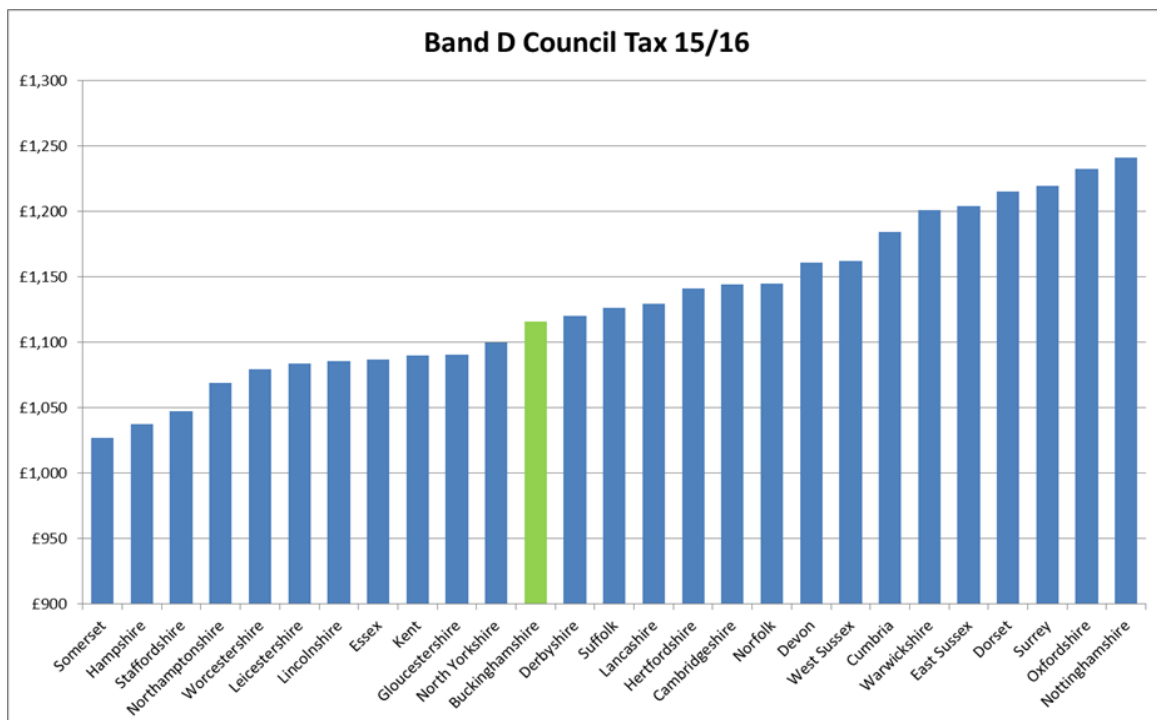
- 2.1 Due to the relatively affluent nature of Buckinghamshire, which tends to mean higher property prices and lower demand on public services the County Council's biggest source of local income is from Council Tax. Since the major change to the structure of local government financing in 2012/13 the Council also retains a proportion of local Business Rates (9%). Despite the cuts in central Government funding the Council still gets a considerable amount of income from grants both ring-fenced to specific functions and general. Finally the council generates a substantial amount of income from charging for its services, or to a much lesser degree fines. The graph below shows the distribution of the total income of £780m the Council received in 2014/15.

Figure 2.1 – Sources of Council Income 2014/15 (£m)



## 2.2 Council Tax

2.2.1 The Council Tax is the largest source of locally generated income for the Council by some considerable margin, representing 29% of total income in 2014/15, or 67% of the net budget requirement. However, the level at which Council Tax is set is marginally below the national average for counties, as shown in the graph below. The overall yield from Council Tax is large for Buckinghamshire, due to the relatively high value of properties.



## 2.3 Business Rates

2.3.1 Although Business Rates are collected locally by District Councils the rate itself is set by central Government. Traditionally the Government have increased the rate in line with the Retail Price Index as at September the preceding year. In 2012/13 the local government finance system changed so that a proportion of rates is retained locally. Although the actual system is quite complex the basic principle is that central Government retain 50%, district councils 40%, the Fire & Rescue Authority 1% and the County Council 9%. Again the relative affluence of Buckinghamshire makes this a reasonably buoyant source of income for the County Council, albeit the proportion retained is quite small. The Government have announced plans to allow local authorities to retain 100% of Business Rates by 2020, whilst at the same time phasing out the majority of revenue grant streams. These changes are subject to consultation and may also see a shift in the balance of retained Business Rates between the different local authorities.

## 2.4 Dedicated Schools Grant

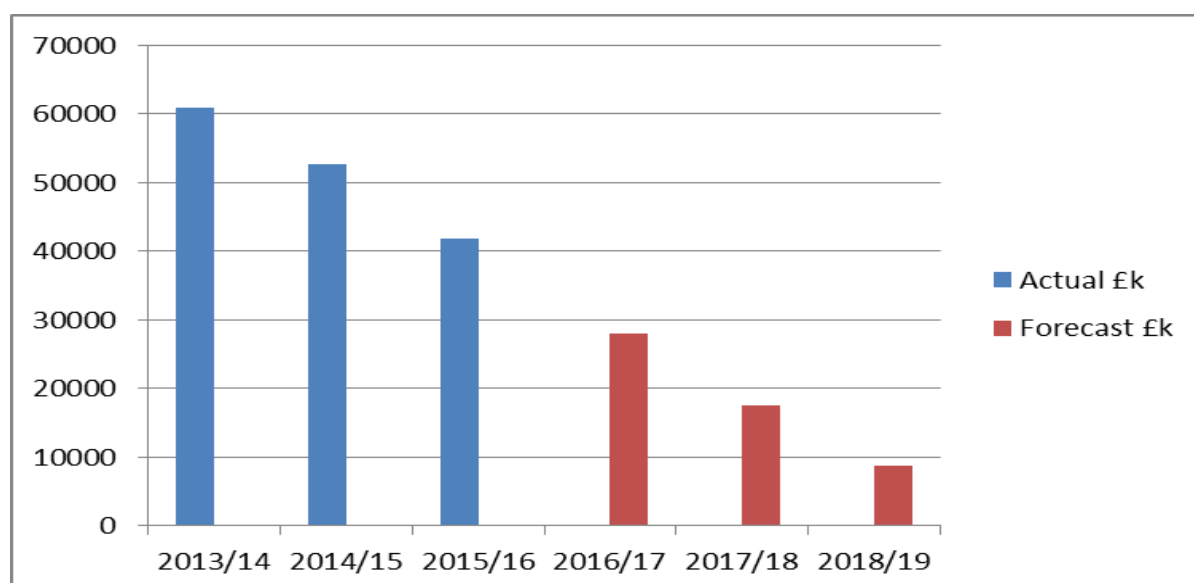
2.4.1 The largest single source of income for the County Council in 2014/15 was the Dedicated Schools grant. However, this is a ring-fenced grant subject to much legislative constraint and has to be spent on funding schools themselves, or a small proportion can be used for services which support schools and pupils. Largely the County is constrained to influencing the distribution of the resources amongst schools rather than what the money is spent on. In line with the Government's policy to promote Academies and Free Schools, money transfers away from the County Council each time such schools are established in Buckinghamshire.

## 2.5 Revenue Support Grant

2.5.1 The Revenue Support Grant is the general grant provided by Government. It is this grant that has seen and is anticipated to continue to see the largest reductions as part of the Government's deficit reduction programme. The Graph below shows both recent actual reductions and the latest forecasts for the years ahead.



Figure 2.5.1 – Reductions in Revenue Support Grant



## 2.6 Other Government Grants

2.6.1 Although far reduced in number from the past there are still a considerable number of Government Grants. A few of the key ones are:

- Public Health Grant, currently around £17m of core grant, provided to the Council following the recent transfer of Public Health responsibilities from the NHS. This has increased in 2015/16 to £20m due to the additional transfer of some children's public health services (£23m in a full year). Buckinghamshire is currently below its target level according to the national distribution formula. Despite this the grant is likely to fall due to Government expenditure reductions, but remain a ring-fenced grant for the next two years.
- Education Services Grant, currently about £6m, provided to pay for responsibilities the local authority has in respect of supporting its schools community. This is subject to being cut if schools transfer to being academies, which the Government are seeking to drive forward.
- New Homes Bonus is a time limited grant (currently 6 years) which should stabilise at around £3.5m p.a. for the County Council. It is based on new housing growth and 80% is retained by the district council and only 20% comes to the County despite the majority of supportive infrastructure being the responsibility of the County Council. The Government have announced significant changes to NHB, which will see it reduced in value, the time period which it covers reduced to 4 years and possibly the balance between county and district altered.
- Capital Grants can only be used for capital purposes and are mainly aimed at supporting the maintenance and development of infrastructure such as roads and schools.

## 2.7 Fees & Charges

- 2.7.1 The Council makes a wide range of charges for its services, as well as seeking both client and developer contributions towards services, fines for regulation enforcement and receives income from its investments. In 2014/15 the Council obtained income totalling nearly £95m from fees and charges, making up about 12% of total income.
- 2.7.2 Whilst grants are generally declining as a source of income it is probably the area of fees and charges where there is most potential for increasing income.
- 2.7.3 Appendix 1 to this strategy sets out in more detail the fees and charges income received by each Portfolio and as such establishes a baseline for this revised Income generation strategy.

## 2.8 Recharges

- 2.8.1 Recharges are charges passed between various parts of the County Council and as such they do not constitute real income. However, there are several connections with real income, so they are discussed in this strategy document.
- 2.8.2 The Council operates effectively as a number of large “funds”:
- a) The General Fund pays for the on-going costs of most core services of the Council.
  - b) The Pension Fund administers the pension contributions from current staff, the pension payments to former staff and the investment portfolio necessary to sustain and enhance the value of pensions over time.
  - c) The Dedicated Schools Budget, although not technically a separate fund, operates within a tight legislative ring-fence.
  - d) The Capital Programme which pays for longer term investments is also subject to legislative constraint and is in any case of a different nature.
- 2.8.3 Recharges between these “funds” can effectively be like income as far as the receiving fund is concerned. For example recharges made to capital, or to schools can boost the capacity of the General Fund to support core services just as real income does.
- 2.8.4 Recharges are also important in reflecting the true cost of services, which it is necessary to know when setting charges for real income.
- 2.8.5 Sometimes there are issues of equity, for example when recharging a local authority school for the same service as charging an academy.

## 3 The Actions the Council will take to generate more income

- 3.1 In general the Council will adopt a more commercial approach and therefore seek to maximise its income. However, it does recognise that this has to be

balanced with the fact that the council supports some of the most vulnerable people in the Buckinghamshire community. The Council also has a desire to keep taxation levels as low as possible to allow both businesses and individuals to prosper in Buckinghamshire.

## 3.2 Council Tax

- 3.2.1 It is clear that Council Tax at around 30% of total income and 67% of locally generated income plays a very significant role in the funds that the Council has available to deliver its services. It follows that the decisions the council takes on Council Tax levels will have a significant impact on the total income generated by the Council and thus the services it can afford to fund. If the Council has an aspiration to become self-financing this will be all the more the case.
- 3.2.2 There is a difficult balance to be struck between keeping taxes low for local residents whilst at the same time generating the funds to provide the services that residents need and want. The Council will therefore aim to keep Council Tax as low as possible whilst providing appropriate funding for its services. In the current financial climate this is likely to mean higher rises in Council Tax than might otherwise be the case. In doing so the Council will also have regard to the position of other councils and will aim to remain below the average for county councils and certainly below the upper quartile.
- 3.2.3 The Council will also work with district council's to maximising the yield from Council Tax. This will be done through such measures as avoiding fraud, chasing arrears and encouraging and facilitating housing growth where appropriate.

## 3.3 Business Rates

- 3.3.1 At present the rate of taxation for businesses is set nationally. This is likely to remain the case even under the Government's recent proposals the allow councils to keep 100% of the income from Business Rates. Whilst details of the new arrangements are yet to be developed the outline proposals are that Council's will be able to reduce the rate, but not increase it above a nationally set cap, unless in specific circumstances under an elected mayor, which is unlikely to affect Buckinghamshire in the foreseeable future.
- 3.3.2 Given the constraints over the rate itself the largest influence over the rate yield the Council is likely to have is by encouraging business to flourish. This needs to be done sensitively in order to protect the county's natural environment, particularly the Chilterns AONB. Nonetheless the County Council will work with its partners, such as district councils, the LEP and Buckinghamshire Advantage to promote appropriate business growth and thus increase business rates yield. The Council may wish to consider discounts to business rates in specific circumstances in order to attract new businesses into Buckinghamshire.

3.3.3 The Council will also work with district council's to considering pooling if this is felt to be of mutual benefit, as well as chasing debt and dealing with appeals promptly (although significantly dependent upon the Valuation office at present).

### 3.4 Government Grants

3.4.1 The grant regime now has far fewer streams and less complexity than was the case in the past. The majority of significant grant streams are determined by a national allocation methodology over which the Council has no control. It is also anticipated that many of these grant streams will diminish, or even disappear over the next few years as the Government continues with its austerity programme as well as a restructuring of local government financing.

3.4.2 Nonetheless there do remain a number of grant areas where the Council's action impact on the level of grant, or where bids for funding are necessary. For example the Governments Troubled Families programme has an element of grant delivered on a payment by results basis. Although the Better Care Fund is a Government determined allocation, its use has to be negotiated with the Clinical Commissioning Group (CCG). The largest area of grants of a bid nature is in support of infrastructure projects. Much of this is now channelled through the Local Enterprise Partnership (LEP), but the Council has considerable influence. Allocations of capital grants for highways will increasingly be dependent upon sound asset management planning.

3.4.3 In terms of income generation the Council will aim to maximise its income from grants subject to any grant in question supporting the Council's policies and priorities. Thus it will not simply chase the money if the grant offer conflicts with those policies and priorities.

### 3.5 Fees & Charges

3.5.1 Fees and Charges represent the area of income over which the Council has the greatest control and influence. Unlike taxes and grants there is normally a direct connection between the service user and those that pay. It is this area of income that is most equivalent to revenue generated in the private sector and thus this element of the Income Generation Strategy is closely related to the Commercial Strategy.

3.5.2 The Council already makes a diverse range of charges for its services. Some of the charge rates are set by statute and others are fully at the discretion of the Council. This strategy cannot hope to cover all these individual charges in any detail, although Appendix 2 sets out a schedule of the Fees and Charges currently levied by the Council. Rather, what is set out below is a set of principles to guide those setting the Fees and Charges as well as the expectation of the Council in generating additional income from this source.

### 3.5.3 Principles in setting Fees & Charges

- a) Technically this doesn't need stating, but for the avoidance of doubt, **the Council will follow all appropriate legislation and regulation which impacts on Fees and Charges.** In a number of cases legislation will prevent any charges at all and in other cases the statutory framework will determine, or heavily constrain the charges. However the boundaries of those legislative constraints need to be considered carefully. It may be possible to unbundle current service provision methodology, so that core activities are free as legislation stipulates, but that enhancements can be charged.
- b) Unless statutory constraint applies the Council's default position is that **a charge should be made for all services that at least covers the full cost** of delivering those services. Any exceptions to this (see 3.5.4 below) will be an explicit decision of the Council in line with its key decision arrangements. In some cases it may be necessary to set up a Trading Account in order to charge at, or above full cost (see section 5)
- c) Inevitably where charges are being levied there is likely to be some form of market place, or benchmark comparison with other local authorities. **Where the market/benchmark price is below our full cost, we will aim to drive our costs below that price. If this is not possible then we will outsource that service,** subject to this being sensible when other related services are considered.
- d) Subject to putting in place appropriate trading arrangements, **where our full cost is below the market/benchmark price, we will aim to charge at or only just below that market/benchmark price.**
- e) **Where charges are reduced/subsidised this will be as the result of an explicit decision.** This might apply to the charge as a whole, or when it is made to a particular group.
- f) **The Council will aim to leverage its assets and skills base to generate additional income.**
- g) **The Council is willing to invest in income generating opportunities.** This is subject to a sound business case and a full understanding of the risks involved.
- h) **The Council will adopt a "what works best" approach to generating income** and thus is prepared to establish "Alternative Delivery Vehicles" where this is most appropriate.
- i) **Charges should be levied in advance of or at the point of service delivery,** with service not being delivered until payment is made, in all but exceptional cases or for statutory reasons
- j) **The default basis for costing new service offerings will be on an average cost basis.** That is not to say that a sound business case cannot be made for other approaches such as marginal costing in particular circumstances, but the risks need to be fully understood and accepted.

### 3.5.4 Exceptions to Charging

There may be a number of legitimate reasons why charges are either not made at all, or are made at below full cost, such as:

- a) Charges are forbidden or limited by legislation.
- b) A decision of the Council agrees that the service should be delivered free, or at a subsidised rate.
- c) The Council has entered into a contractual arrangement which limits the ability to charge.
- d) The cost of administering the charging arrangements exceeds the value of the income, unless there is some behavioural change reason for doing so.
- e) For service areas with high fixed costs, the need to spread those costs over a broad base may mean that winning business at below full cost can make a positive contribution and reduce the average cost of service provision. This does need careful consideration, however, as it may have longer term risks associated.
- f) The potential risks to the Council incurred as a result of charging outweigh the benefits. Examples of potential high risks would include:
  - i. There would be significant fall in demand and as a result the Council would not achieve one or more of our Strategic Priorities, or the cost of doing so would become prohibitively expensive.
  - ii. The reputation of the Council would be significantly damaged.
  - iii. Charging would cause an unwanted change in behaviour of customers resulting in a high likelihood that costs would be incurred elsewhere in the Council's business which would be greater than the income generated by the charge.

### 3.5.5 Concessions when Charging

- a) Concessions, i.e. reducing the charge below full cost recovery, may be appropriate in certain circumstances. Clearly this must be done where there is a mandatory requirement to do so. Where the Council exercises its discretion to offer concessions this should be in order to meet a policy objective in line with the Strategic or Business Unit plans.
- b) Care is needed to ensure that the chosen target group, or eligibility criteria meets the policy objective. For example there are many people over state pension age who are very wealthy, or young people from wealthy families making age an inappropriate criterion if reaching those unable to pay is the real issue.
- c) As far as possible, definitions and eligibility criteria for concessionary target groups should be consistent across the Council.

## 4 Recharges

- 4.1 As already briefly mentioned in section 2.8, recharges are internal charges, or movements of costs, between different parts of the Council. In that sense they are not true income as there is no flow of money into the Council. However, recharges are relevant to the Income Generation Strategy in a number of ways, as set out below.
- 4.2 The complex nature of local government finance means that the Council is effectively set up as a number of funds (see 2.8.2). Recharges between these “funds” can effectively be like income as far as the receiving fund is concerned.
- 4.3 For example the salary costs of an officer working on a capital project will be charged in the first instance to the General Fund, but might then be recharged to Capital, where legitimate. Thus these costs are funded from the Capital Grant, or Capital receipts, etc. rather than from, say Council Tax. The capital grant/receipt remains exactly the same, so there is no real additional income, however, it does allow the burden on the Council Tax to be reduced and thus freed up for other purposes.
- 4.4 A particularly tricky area here is in connection with schools. Academy schools are funded direct from Government and so a charge for a support service made to one of these schools is real income. The same charge for the same service made to a community school, which is funded via the Council is a recharge. As with the capital example there is strictly speaking no new income, but the funding burden shifts from the Council Tax to the Dedicated Schools Grant. It is therefore important that officers providing services to schools and thus raising charges on them understand the particular nature of the school in question.
- 4.5 The second reason that recharges are important for income generation arises from the principle expressed at 3.5.3 b) that charges should be set at a level to recover full cost. Full cost means all the direct costs of delivering the service and an appropriate share of overheads. Recharges become important in understanding the appropriate share of overheads.
- 4.6 Just as with the charges set for the generation of real income it is important that those involved in setting recharges have some guiding principles for sake of consistency. These are set out below:
- 4.6.1 **Recharges will be set with the aim of recovering full cost, but no more or no less.** There is no real gain to the Council as a whole if internal services make a gain (or a loss), but if internal recharges are made at a level other than full cost this will distort the apparent full cost of end user services and thus it will be unclear if those end user services which are generating real income are making a surplus, or a deficit.
- 4.6.2 It follows from the above that **recharges should be set to avoid hidden subsidies to external services by over-charging internally.** A Council service that is providing both internal services and services to external clients should not cross subsidise between the two, as this will lead to distortions and misinformation, which in turn leads to inappropriate decisions.

- 4.6.3 **Recharges should be set to strike an appropriate balance between simplicity and transparency.** As already mentioned it is important for the understanding of full cost recovery that recharges are made. However, it needs to be recognised that there is a bureaucratic overhead of having recharges at all and this needs to be kept to an absolute minimum if operations are to remain efficient.

## 5 Trading

- 5.1 The generation of new and additional income is likely to involve services in trading activity. This, of course, brings with it a range of commercial risks. It is therefore important that those engaged in this activity understand and effectively manage those risks.
- 5.2 The Power to Trade
- 5.2.1 The Local Government Act 2003 provided a general power to trade to local authorities and the Localism Act 2011 further enhanced that power by adding the general power of competence.
- 5.2.2 The general power to trade allows a Council to do anything for commercial purpose which it is already authorised to do for the purpose of carrying out its ordinary functions; but not where it is already required or authorised to do so under its ordinary functions, i.e. for discretionary and not statutory services.
- 5.2.3 The general power of competence gives an authority the power to do anything that individuals may generally do, anywhere in the UK or further afield, and for a commercial purpose or charge; but authorities are still prevented from trading in activities where there is a statutory duty.
- 5.2.4 There are limits to how these powers can be exercised by the authority itself, with some powers only being exercisable through a “company”. A company means one established under the Companies Act 2006, or a charitable trust, or Industrial or Provident Society.
- 5.2.5 It is therefore vital to obtain legal advice at the earliest stage, to ensure that any proposal to trade and the model of trading has the relevant legal authority. The risk and consequences to the County Council in not exercising its powers correctly is huge.
- 5.3 Developing the Case to Trade
- 5.3.1 Setting up a trading activity will inherently involve taking commercial risk. It is therefore important that a robust business case is developed. To justify the taking of those commercial risks it will be important that there is a strong policy rationale and link to the Strategic Plan. In other words if the activity is not a priority for the Council, why would it take the commercial risk to set up a trading activity?
- 5.3.2 The underlying rationale for trading a particular activity needs to be made clear and the subsequent business case needs to demonstrate that the



proposal meets those objectives. Some examples for why trading may be appropriate are:

- a) The potential for harnessing additional income/profits/return on investment, which cannot be achieved or can't be maximised without setting up a trading vehicle;
- b) We own a "unique" skill or skill set which is desirable and marketable;
- c) The potential to reduce costs or achieve economies of scale can only be achieved through a trading model;
- d) Cost diversion to maintain a wide client base over which to charge overheads;
- e) Attraction of funding or discounts not available to a Local Authority;
- f) The potential to further improve performance can only be achieved through a trading model;
- g) Improved income and/or profit can only be achieved in a more commercial setting;
- h) Attraction of inward investment into the County area;
- i) Encourage job creation in the County;
- j) To overcome the resistance of others to trade with the County Council, by providing an organisation which is independent of the Council, allowing more opportunities to be taken up.
- k) To set up a partnership with others to share risk and reward.

5.3.3 A detailed analysis of the external markets and the potential opportunities should be carried out, including:

- a) looking at the competitive landscape – who else is doing what?
- b) the changing market dynamics – current and future trends
- c) changing customer base (individuals, businesses, other public bodies, voluntary and community sector)
- d) potential growth and optimisation opportunities – where are the gaps?
- e) value of the BCC brand

5.3.4 The potential rewards of entrepreneurial innovation are high but this brings risks. Awareness of the potential problems throughout the process can ensure that risks are recognised and can be minimised, mitigated or provided for. Potential risks include:

- a) Choosing an inappropriate trading model
- b) Getting the governance arrangements wrong
- c) Inflexible contractual arrangements entered into restricting ability to react to increasing/reducing service demand
- d) Getting pricing structures wrong – uncompetitive or not covering costs
- e) Duplication of governance and decision making

- f) Council exposed to employee claims or financial loss
- g) Council exposed to bad publicity or loss of credibility
- h) Resistance from potential customers and/or competitors
- i) Uncontrolled or unpredicted cost increases over longer term
- j) Increased tax liabilities/complexity, e.g. VAT, Corporation Tax, etc.
- k) Not achieving income targets and predicted savings not delivered
- l) Potential conflicts of interest to Member and Council officers
- m) Staff and unique skills retention
- n) Agreements with external clients reduce the ability to provide services to internal clients

## 6.0 Investing for Income Generation

6.1 In some cases it is likely that in order to generate a new stream of income some form of up-front investment will be required. This might be the purchase of new/enhanced assets which facilitate the generation of income, the investment of time to re-design processes via either consultants or the establishment of a dedicated project team, or a combination of both.

### 6.2 Business Unit Level Investment

6.2.1 Under the Council's Operating Framework this is essentially a business decision for the Business Unit(s) concerned. The proposal will therefore require a sound business case to be presented to the Business Unit(s) Board. The Business Unit(s) have a choice in the way the necessary investment can be supported.

- a) The Business Unit(s) can fund the investment from within its own revenue resources, recovering that investment from the additional income generated. This route is likely to be the most suitable in cases where the level of investment is low, the payback period is short, or where the risk appetite of the Business Unit(s) is greater than that willing to be borne by other parties. In such cases the Business Unit(s) will benefit from all of the additional income generated.
- b) The Business Unit (s) can seek to "borrow" the necessary investment funds from HQ, who will effectively act as "corporate banker". This route is likely to be the most suitable where the level of investment is greater, or the payback period longer. In such cases it will be necessary for the Business Unit(s) to submit the business case to the relevant corporate board (One council Board in the case of revenue investments and the Asset Strategy Board in the case of Capital Investments). The first call on the new/additional income generated will be the repayment of the corporate loan in line with the approved business case. Any income generated above this level will be retained by the Business Unit(s).

6.2.2 Where the latter route is chosen HQ will require not only the repayment of the principal sum, but will also charge an appropriate interest rate. The interest rate will be set to reflect a number of factors:

- a) The cost of borrowing the money externally (this will be the case whether or not HQ actually borrow money or finance the transaction from internal resources)
- b) The time period for which the money is locked up in the investment
- c) The scale of the investment
- d) Other risks with the investment.

The appropriate interest rate will be determined at the time of approving the business case.

### 6.3 Corporate Level Investment

6.3.1 The Council has a substantial financial turnover and as a consequence may hold a cash surplus at any point in time. The investment of these cash balances needs to strike a balance between providing maximum return without risking financial loss. The approach taken is determined by the Council's [Treasury Management Strategy](#), which is not repeated here.

6.3.2 Under the [Capital Investment Strategy](#) the Council has agreed its willingness to invest in Capital Assets purely for the purposes of generating income. The basis for those investments is set out in the [Capital Investment Strategy](#) as amended from time to time by the Asset Strategy Board.

6.3.3 As part of the Medium Term Financial Plan the Council has set out an ambitious transformation agenda and in doing so has approved both significant revenue savings targets and set aside some revenue resources to facilitate the changes. Whilst much of these plans will focus on cost reduction there is also the scope to bring down the net cost of services through income generation.





## Buckinghamshire County Council Select Committee

Finance, Performance and Resources Select Committee

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### Report to the Finance, Performance and Resources Select Committee

<b>Title:</b>	Property Strategy
<b>Committee date:</b>	Tuesday 15 December 2015
<b>Author:</b>	[Director sign-off required]
<b>Contact officer:</b>	Jo West, 01296 383317, jcwest@buckscc.gov.uk
<b>Cabinet Member sign-off:</b>	Cllrs Warren Whyte & John Chilver

#### Purpose of Agenda Item

The select committee have requested information about the Asset Strategy Review to ensure that the Council is achieving best value from its property portfolio. Particular focus is on the Agricultural Estate.

#### Background

The select committee have previously discussed a need to understand how the portfolio is being managed to ensure that best value is being achieved and also the mechanism for review of this management. The question of the value of the Agricultural Estate and whether it should be retained or disposed has been raised in past meetings.

The Council's Property Asset Management Plan (PAMP) 2015-2020 has proposed the overarching principles by which the estate should be managed. The asset review will take these principles further by producing an asset by asset management plan for the next 15 years.

There is no presumption within the PAMP for disposal or retention of any asset – indeed, there is a desire to unlock long term revenue streams rather than one-off capital receipts. As such each asset is subject to a detailed review to ensure that it is understood in detail, and that we are using the asset to deliver best value for the Authority over a 15 year period.



In addition to the financial value of the agricultural estate, there is an environmental value which is reinforced by its position within the Environment Portfolio overseen by the Cabinet Member for the Environment. Ownership of an extensive agricultural asset provides opportunities to influence future developments within the County. In addition we can use the estate to keep Buckinghamshire's environment special; an attractive place to live, work and visit. When assessing the asset review results, these aspects of environmental value will form a counterpoint to the financial assessment creating a decision making framework to aid Members in determining the 15 year plan for the agricultural estate.

Appendix One shows the Report to Asset Strategy Board from August 2015 which outlines the methodology of the review project in detail.

The Agricultural Estate is identified as an Investment Portfolio as against an Operational Estate.

### **Summary. The Asset Review**

In order to manage the estate, it is important to understand it. This involves looking at the current Revenue Income & Expenditure, Investment Value (Market Value), the vacant possession premium, potential development or alternative use value and any other future external influences on value. It is also essential to consider any capital expenditure on the estate to ensure any efficiency savings are recognised.

Carter Jonas is an external consultancy who has been contracted by the Council to manage the Agricultural Estate on a day-to-day basis. As an extension of this, and on the basis that because of their everyday involvement they are very familiar with the Estate and its tenants, they have been instructed to conduct the Agricultural Estate Asset Strategy Review (AASR). They have examined the Estate on an asset by asset basis looking at:

1. Current tenure and ability to increase rent or achieve Vacant Possession now or in the future.
2. Short Term ( 1-2 Years) planning opportunities
3. Strategic planning opportunities
4. Income from mineral extraction opportunities
5. Opportunities with adjacent sites (e.g. Green Spaces, Country Parks)
6. Market Value and Vacant Possession premium.
7. Capital investment requirements (e.g. planned maintenance)

Carter Jonas have used this data to categorise the assets into core, non-core and tradeable assets to inform future investment decisions.



The draft report is due to be presented to Jo West in the next month, after which it will be refined and presented to Councillors Whyte and Chilver for comment. It is intended that the final report including recommendations will be available for full publication to Members by January 2016. Implementation of the approved recommendations will commence thereafter.

At the time of submission, the draft report is being finalised but preliminary highlights from the findings have been provided by Carter Jonas:

1. The Agricultural Estate comprises of approximately 4,500 acres of land and associated buildings. There are a variety of tenure types including
  - 1986 Agricultural Holdings Act
    - Succession tenancies
    - Lifetime tenancies
    - Assignable tenancies
    - Retirement tenancies
  - 1995 Agricultural Tenancies Act
    - Farm Business Tenancies
  - 1954 Landlord & Tenant Act
    - Mineral Leases
    - Telecoms Masts
  
  - Miscellaneous
    - Licences
    - Right To Buy
2. The total gross income from the estate is in excess of £600,000
3. A number of sites have been identified as having no key strategic interest now or in the future and have therefore been recommended for non-core or tradeable classification. This will create Capital Receipts.
4. Several sites have been identified as being under rented and rent reviews and/or new lettings will be instigated at the next possible legal opportunity.
5. **ALL decisions relating to disposal or acquisition are made by Members** – the review advises on a financial basis but it is only part of the decision making framework which operates within a social, environmental and political context led by our Members.

### Key issues

There is potential for adverse publicity. Many of the tenants have been in situ for a number of years and have become accustomed to rent levels below current market levels and having a high degree of latitude in enforcement of lease terms. A more commercial



approach to managing the estate and to rent levels could mean that some tenants are required to move on. An example of this was seen at recently at a farm in the North of the County. The tenants had been resident for over 20 years but their tenure had ceased and was under rented. The property was offered to the open market with the current tenant being given equal opportunity to tender. Unfortunately, the sitting tenant offered significantly less than the top offers and was therefore required to vacate the property. The tenant was aggrieved and threatened to go to the press, this did not happen but it was a risk.

Mention has been made in the past of “The Covenant”. This is an historic requirement for Local Authorities to provide farms to soldiers returning from the war to enable them to find employment and to encourage food production. It continued with a desire to encourage young men into the farming industry as a career and was considered a stepping stone to larger holdings.

We have taken Counsel advice and they have confirmed that we are no longer legally bound by this covenant, however, there is still a belief from some that the Local Authority should provide entry into the industry. This misconception needs to be managed when there are objections to disposals of properties with no other potential. It is a point easily countered by the fact that the majority of current occupiers have been in occupation for many years and are not using the Council’s estate as a stepping stone into the let market and where the industry no longer works in that way.

### **Resource implications**

The only resource implication for the duration of the review has taken the form of Project Management by the Strategic Asset Management team. The implementation stage may require further resource but the extent of that will not be known until publication of the final report.

The revenue and capital savings/receipt derived from the review are expected to recover the expenditure in a very short time scale with further income to follow. Financial resource will be required to commission Carter Jonas to handle any agreed actions from the recommendations but this will not be known until the report has been received and the future plan determined with the relevant Council members.

### **Next steps**

The AASR final report will be reviewed by Officers and then presented to the Cabinet Member for input and review. A final implementation plan will be agreed and executed over the next 15 years.





Alongside the AASR, a review of the non-agricultural estate is being carried out. This second review (entitled Location & Asset Strategy Review (LASR)) is also looking at the Council's property portfolio on an asset by asset basis, but because of the impact of operational requirement, this is being handled very differently. This project has a targeted end date of June 2016 and is involving site visits, workshops with Service Delivery Units, and mapping to ensure maximum efficiencies.





**Budget Scrutiny Inquiry Progress Update on Recommendations**  
**Progress Report (12 months)**

Select Committee Inquiry Report Date: 15 December 2015

Date of this update:

Lead Officer responsible for this response: Richard Ambrose, Director of Assurance

Cabinet Member that has signed-off this update: Martin Tett, Leader

Accepted Recommendations	Original Response and Actions	6 month Progress Update	12 month Progress Update	Committee Assessment of Progress (RAG status)
<p><b><i>1: The outcomes based budgeting methodology should be finalised and agreed by Cabinet in time to be used fully in the 2016/17 budget setting process.</i></b></p>	<p>In part - Learning from the experience in the current year, the Cabinet will review the budget setting process and confirm its approach in good time for the 2016/17 process. As part of this the Cabinet propose a mid-term review of the Strategic Plan priorities to County Council in order to provide a strong steer about relative priorities. Cabinet will continue to look for genuine efficiencies in all service areas.</p>	<p>Completed. Cabinet Members have agreed their approach to the budget setting process and this is now underway. Linked to this a review of the Strategic Plan has been undertaken, including taking account of Government policy announcements since the General Election. A report on the Strategic Plan review will be presented to County Council in July.</p>	<p>Completed. Refreshed Strategic Plan approved by County Council in July.</p>	
<p><b><i>2: Consideration of risks, including use of the Council's risk registers, should form an integral component of every stage of the 2016/17 budget setting process and subsequently, with budgetary allocations being considered in</i></b></p>	<p>In part - Risks are one of the considerations used to inform budgetary allocations. However, budgetary allocations are about balancing our priorities, as set out within the Strategic Plan, with the risks of delivering services. The level of reserves and contingencies is informed by the budget risks identified. A more formal process will be considered for the 2016/17 budget setting process.</p>	<p>In progress. MTP guidance sent out to Business Units / Cabinet Members includes specific requirements around the consideration of risks (including review of risk registers) and also any identified gaps within their assurance frameworks. Furthermore, the template asks specific questions around the impact of any proposed</p>	<p>In progress. See 6-month progress update.</p>	

Accepted Recommendations	Original Response and Actions	6 month Progress Update	12 month Progress Update	Committee Assessment of Progress (RAG status)
<p><b><i>terms of impact on risk profile.</i></b></p>		<p>changes, including:</p> <ul style="list-style-type: none"> <li>• What is the anticipated impact on service performance from this change?</li> <li>• What risks are there associated with this change (type/cause/event/impact)?</li> <li>• How will these risks be monitored, managed and mitigated?</li> <li>• Are there any knock-on consequences on other services within BCC?</li> </ul> <p>Reference will be made to the new Assurance &amp; Risk Strategy and identified risks will be required to be scored. Furthermore, there will be a review of all completed templates by the Business Assurance Team to ensure that proper consideration has taken place and to ensure consistency across Business Units.</p>		
<p><b><i>3: All reductions to voluntary sector funding, regardless of amount, should be subjected to an</i></b></p>	<p>In part - In proposing any reductions, services do consider the impact on the viability of voluntary sector bodies as part of normal business planning. The</p>	<p>In progress. Business Units have been asked to produce impact assessments for budget proposals at an earlier stage of the process. This will provide</p>	<p>In progress. See 6-month progress update.</p>	

Accepted Recommendations	Original Response and Actions	6 month Progress Update	12 month Progress Update	Committee Assessment of Progress (RAG status)
<p><b><i>assessment of impact on service delivery covering the impact of removal on the resilience of both the organisation and services it provides.</i></b></p>	<p>current policy of the Council is to prepare and publish full impact assessments for reductions in excess of £100k. The Cabinet supports this approach which minimises the burden on the organisation. We will also work to improve the quality of information within the budget papers about possible reductions to voluntary sector funding so that there is greater transparency and more opportunities for the voluntary sector to raise issues at an early stage.</p>	<p>more opportunity to review the information and ensure it is clear and accessible to the voluntary sector and other stakeholders.</p>		
<p><b><i>4: We recommend that major capital programmes should be project managed by specialists, obtaining private sector support if in-house expertise is not available, thus minimising capital slippage to the greatest possible extent.</i></b></p>	<p>Yes - We do have in-house expertise and the majority of projects do go to plan. However, for complex major capital schemes then specialists will be considered in an attempt to ensure that the capital project is completed to planned timescales. A process around the lessons from the re-provision of Day Centres has started and the conclusions from this will be used to better manage future capital programmes.</p>	<p>In progress. In order to minimise Capital slippage a dedicated Capital Programme Manager has been appointed as part of the Future Shape arrangements. A Gateway process has also been introduced to provide more detailed oversight. The Council continues to use external support where most appropriate, such as Architects on major build projects as well as legal and financial advice on more technical projects. Although, for example, there has been some slippage in spend between financial years on the Schools build</p>	<p>In progress. Recommendations from the external independent review of the Hughenden Quarter have been considered by both the Asset Strategy Board and the One Council Board. Several workshops have recently been held to consider how best to further enhance project management across the Council (revenue and capital).</p>	

Accepted Recommendations	Original Response and Actions	6 month Progress Update	12 month Progress Update	Committee Assessment of Progress (RAG status)
		<p>Programme it should be noted that in recent years all new builds and extensions have opened on time. The much delayed Hughenden Quarter project is currently subject to external independent review and the lessons learned will be applied to the wider management of the capital programme.</p>		
<p><b>5: We recommend that a full options appraisal evaluating the value for money argument for prudential borrowing as a means to fund road improvements should be submitted to a Cabinet meeting at the earliest opportunity.</b></p>	<p>No - The Council will only consider borrowing where a good business case exists. This must show that the borrowing will either generate income or savings that at least cover the cost of the financing of the debt. With roads there is no income generated and the amount saved on maintenance is relatively small and short term. The policy proposed over the next three years is to re-profile the £45m budget so that £25m is spent in the next financial year (2015/16). This will significantly help to tackle the current maintenance backlog.</p>	<p>Completed. Report on the value for money argument for prudential borrowing is going to the Select Committee on the 14<sup>th</sup> July 2015.</p>	<p>Completed. Report due to be submitted to Cabinet.</p>	
<p><b>6: Measures to improve the speed and ease of the Council's recruitment and retention process for social work staff, in</b></p>	<p>Yes - A team of people have now been established to provide dedicated resource into the difficult area of attraction and retention of social workers. The team are focussing on a number of high</p>	<p>In progress. Significant progress has been made on this recommendation including:</p> <ul style="list-style-type: none"> <li>• 19 new permanent members of staff appointed into</li> </ul>	<p>In progress. See 6-month update.</p> <p>Currently also looking at recruiting to a team of 'Newly Qualified Social Workers'</p>	

Accepted Recommendations	Original Response and Actions	6 month Progress Update	12 month Progress Update	Committee Assessment of Progress (RAG status)
<p><b><i>conjunction with efforts to reduce the reliance on agency staff in social care, should be implemented urgently.</i></b></p>	<p>priority initiatives such as sourcing staff from overseas, developing a pipeline of Social Worker Trainees, developing a more attractive package of benefits, etc. The work of the team will be overseen by the Ofsted Improvement Board and KPI's will be measured on a regular basis to monitor success.</p>	<p>Children's Services over the past 6 months with a further 21 in the pipeline awaiting commencement</p> <ul style="list-style-type: none"> <li>• A successful campaign to recruit social workers was undertaken in Romania with 9 people due to commence work in the summer</li> <li>• A campaign to attract social workers has been undertaken in Northern Ireland</li> <li>• Significant changes have been made to recruitment and retention packages for Children's Social Workers, to enhance our ability to attract and retain staff</li> <li>• A complete review of the end to end recruitment process has been undertaken and changes made to simplify the process.</li> </ul>	<p>(NQSW) supported by a dedicated team manager and unit co-ordinator. The expectation is that once the NQSW's have been fully developed (after about 1-year) then they can replace agency workers.</p>	
<p><b><i>7: The reablement provider marketplace should be developed in Bucks, both to provide the County Council with</i></b></p>	<p>No - The reablement service is a county wide service and to split this into smaller geographic areas would be less efficient. We would need to more than double the level</p>	<p>N/A.  Recommendation not agreed by Cabinet.</p>	<p>N/A.  Recommendation not agreed by Cabinet.</p>	





Accepted Recommendations	Original Response and Actions	6 month Progress Update	12 month Progress Update	Committee Assessment of Progress (RAG status)
<p><b><i>a range of alternative providers, but also to subject Bucks Care to commercial pressures that would fuel innovation and provide an incentive to further drive down costs.</i></b></p>	<p>of activity we are commissioning to gain benefit from a more diverse provider base.</p> <p>The assumption that more providers would create a more competitive market place is not substantiated from past experience of contracts of this size. This can be evidenced through the last 5 years' experience of the domiciliary care market.</p> <p>There is no evidence to suggest that innovation is being stifled by the current service structure and significant technology driven improvements have been made within the last 6 months.</p> <p>We are exploring the evolution of the reablement service into a more integrated provision with health as part of our proposals for closer integration and reduced duplication in relation to the deployment of the Better Care Fund. We are working on an integrated service pathway bringing together the Adult Community Health Teams and Reablement Service into a Multi-disciplinary delivery team, through a single point of contact. The delivery date for this is July 2015.</p>			
<p><b><i>8: The support costs for Local Area Forums and accompanying rules and</i></b></p>	<p>Yes - The proposal to reduce the Local Priorities Budget available to the Local Area Forums from £880k</p>	<p>In progress. A LAF review is being undertaken at present and is expected to conclude in</p>	<p>In progress. A LAF review is being undertaken and is due to conclude in the Spring (with any</p>	



Accepted Recommendations	Original Response and Actions	6 month Progress Update	12 month Progress Update	Committee Assessment of Progress (RAG status)
<p><b><i>procedures should be reviewed to consider the case for further efficiency savings, in particular to consider the appropriate ratio of support costs in comparison to the grant funding provided by LAFs. There should be no further reductions in Local Area Forum grant in this year's MTFP. Further grant funding reductions serve to highlight the disproportionate overhead costs of supporting LAFs for the County Council.</i></b></p>	<p>this year, to £780k next year reflects the financial pressures right across the Community Engagement Portfolio. Whilst there are currently no future plans to reduce the budget further, this will have to be kept under review in the current financial climate. We are currently scoping a review of our broader Localities work, and reviewing and improving the value for money from this funding will be a key feature.</p>	<p>early Autumn. This forms part of a wider Localities review to be completed later this financial year. The LAF review will include an examination of the costs involved in running LAF's. With respect to the support costs associated with the Local Priorities budget we seek constant improvement in how this is managed to both reduce the administrative cost and achieve best outcomes for the funding. However, without significant change in the expectations of LAF's and County Councillors in how they can use this funding, any improvements will be incremental and probably minor.</p>	<p>financial implications being built into the MTP). The LAF review includes an examination of the costs involved in running LAF's as well as the operating framework. With respect to the support costs associated with the Local Priorities budget we seek constant improvement in how this is managed to both reduce the administrative cost and achieve best outcomes for the funding. However, without significant change in the expectations of LAF's and County Councillors in how they can use this funding, any improvements will be incremental and probably minor.</p> <p>With respect to the Local Priorities budget (which is allocated on the advice of Local Area Forums) in response to the non-essential expenditure freeze, 32 schemes were stopped yielding an anticipated in-year saving of approximately £185k. The schemes selected had either not started or could be stopped without loss of the investment so far.</p>	

Accepted Recommendations	Original Response and Actions	6 month Progress Update	12 month Progress Update	Committee Assessment of Progress (RAG status)
<p><b>9: An options appraisal for the use of the residual heat from the Energy From Waste plant as an income stream should be considered by the Cabinet at the earliest opportunity.</b></p>	<p>We are already working with FCC to produce a Combined Heat and Power options study which will be presented back to the EfW contract team during February. Early outcomes show that there are currently no viable options to utilise the heat in the locality. The electricity generated of course will be sold to the grid.</p> <p>The Cabinet Member will provide an update to Cabinet colleagues during March 2015.</p>	<p>In progress. A report produced by FCC showed that there were no short term prospects of heat off being viable. However, medium to longer term options will be investigated further towards the end of the EfW construction.</p>	<p>Completed. There has been no change since the earlier report produced by FCC which showed that there were no short term prospects of heat off take being viable. The heat off take opportunities are reviewed and updated every year but the short term picture still looks blank. However, medium to longer term options will continue to be investigated further. This will be more relevant as the EfW is in the operational phase from March 2016 onwards.</p>	

*RAG Status Guidance (For the Select Committee's Assessment)*

	<i>Recommendation implemented to the satisfaction of the committee.</i>		<i>Committee have concerns the recommendation may not be fully delivered to its satisfaction</i>
	<i>Recommendation on track to be completed to the satisfaction of the committee.</i>		<i>Committee consider the recommendation to have not been delivered/implemented</i>

Date	Topic	Description and purpose	Contact Officer	Attendees
<b>Finance, Performance &amp; Resources Select Committee</b>				
15 Dec 2015	Committee Work Programme	For the Committee to agree it's updated Work Programme 2015-16	Clare Gray, Committee Adviser	
15 Dec 2015	Financial Pressures on the Budget	To obtain information on current pressures on the budget to help prepare for budget scrutiny	David Johnston, Strategic Director (Children and Young People)	Cabinet Member for Children's Services - Lin Hazell David Johnston Managing Director Children's Social Care and Learning
15 Dec 2015	Income Generation Strategy and Charging Policy	To receive an update on these policies and how they are being implemented in the Council	Richard Schmidt, Assistant Service Director (Strategic Finance)	Cabinet Member for Resources - John Chilver Richard Schmidt Head of Strategic Finance
15 Dec 2015	Property Strategy	The Strategy forms a number of parts. Part 1 which outlines principles, performance measures, governance is due for decision in Sept. It also has a section on what we presently have as assets. Part 2 is being reviewed. Part 3 is the investment strategy. Part 4 relates to the corporate landlord.	Joe Nethercoat, Head of Strategic Assets	John Chilver Cabinet Member for Resources Joe Nethercoat Head of Strategic Assets
8 Mar 2016	Committee Work Programme	For the Committee to agree it's updated Work Programme 2016	Liz Wheaton, Committee and Governance Adviser	

<b>Date</b>	<b>Topic</b>	<b>Description and purpose</b>	<b>Contact Officer</b>	<b>Attendees</b>
3 May 2016	Committee Work Programme	For the Committee to agree it's updated Work Programme 2016-17	Liz Wheaton, Committee and Governance Adviser	
28 Jun 2016	Committee Work Programme	For the Committee to agree it's updated Work Programme 2016-17	Liz Wheaton, Committee and Governance Adviser	
13 Sep 2016	Committee Work Programme	For the Committee to agree it's updated Work Programme 2016-17	Liz Wheaton, Committee and Governance Adviser	
1 Nov 2016	Committee Work Programme	For the Committee to agree it's updated Work Programme 2016-17	Liz Wheaton, Committee and Governance Adviser	



## Buckinghamshire County Council Select Committee

Finance, Performance and Resources Select Committee

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### Report to the Finance, Performance and Resources Select Committee

<b>Title:</b>	Financial pressures on Children's Social Care & Learning
<b>Committee date:</b>	Tuesday 15 December 2015
<b>Author:</b>	David Johnston, Managing Director
<b>Contact officer:</b>	John Huskinson, Finance Director, Telephone: 01296 382383 Email: <a href="mailto:jhuskinson@buckscc.gov.uk">jhuskinson@buckscc.gov.uk</a>
<b>Cabinet Member sign-off:</b>	Lin Hazell & Zahir Mohammed

#### Purpose of Agenda Item

This report is to inform the Finance, Performance and Resources Select Committee of the financial pressures on the Children's Social Care & Learning Business Units budgets.

#### Background

The 2014 Member Led Task & Finish Group (MLT&FG) and the 2014 Council Medium Term Financial Planning (MTFP) process, related to OFSTED improvement requirements in particular, resulted in significant increases in budgets for Children's Care Services in 2015/16 including a significant amount of non-recurrent improvement budget. However significant savings, especially around Client Transport were also agreed as part of the MTFP process along with not insignificant Future Shape transformation savings targets.

The net budget of the Business Unit is just over £90m in 2015/16.

#### Summary

The draft Business Unit budget at 30th November 2015 is indicating a net pressure before the use of contingencies of £4.1m. As the table below shows c £3m of this is in Children's Social Care and c. £1m in Education and Skills. A more detailed breakdown of this is shown in **Appendix 1**.

	Current budget	Current forecast	Current variance
C1 Cabinet - Children's Services	55,093,388	58,120,103	3,026,715
C2 Cabinet - Education and Skills (LA)	37,869,469	38,930,307	1,060,838
C3 Cabinet - Education and Skills (DSG)	-2,247,001	-2,247,001	-0
<b>Grand Total</b>	<b>90,715,856</b>	<b>94,803,408</b>	<b>4,087,552</b>

All non-statutory areas have been reviewed and savings of over £0.5m found already, plus non-essential spend freeze savings have added at least £0.4m of savings on top of that. The pressures on budgets are so great though, that the figures indicated above are after these have been taken into account.

## Children's Services

Children's Care pressures are mainly due to the high number of agency staffing with c.60 Full Time Equivalent (FTEs) needed to meet the statutory needs of children following the recommendations made by OFSTED. This is the single largest staffing budget in the Council.

There has been a considerable effort to recruit and retain staff also, so that the more expensive agency staff numbers can be reduced, however there is stiff market competition locally due to a shortage of suitable workers and demand from other authorities also under OFSTED scrutiny. Agency staff have a cost premium of between 30% and 50% typically. The current spend on agency staff is c £5m per year, which results in a premium of c £1.5m more than the equivalent for permanent staff.

There is a pressure on the cost of looking after children in care (whether in residential or foster care) and significant growth in some of this demand led service. This includes some pressures from unaccompanied asylum seeking children and families with no recourse to public funds. The increases in asylum seekers nationally have put pressures on beds which has led to price increases and lack of local supply. This not only impacts on the placements budget but also on staff time and travel costs to visit them. Cases are also getting more complex and therefore more expensive, especially those involving child sex exploitation.

There has been considerable attention to provide effective demand management through the use of resource panels to challenge recommendations before they are agreed and once agreed to ensure value for money in the procurement of services.

The number of external residential placements has been stable for 3 years, however the number of external fostering cases has increased significantly over the last 3 years. In 2015/16 the number is 27 higher than in 2014/15, which is a 16% increase. This is due to a lower number of available in house foster carers. Additionally the unit cost of external residential places has increased significantly as the cases in residential have become more complex on average and the competitive market has made it harder to get a good price.

**Appendix 2** shows key trends in these.

## **Education & Skills (BCC side)**

On the Education side, the pressure is predominantly due to client transport pressures due to growing numbers particularly in SEN and pressures on contract prices. Pressure on historic premature retirement costs (for staff who in the main left years ago) has also been exposed this year, having been offset by non-recurrent savings in the past.

It has also been challenging to deliver Future Shape savings targets, even with the help of Headquarters in the timescales required. This affects both Children's Care and Learning & Skills Portfolios within the Business Unit.

- Action is being taken by the service to reduce the overspend by increasing the number of payers, both pre and post 16, particularly targeting Milton Keynes families and accelerating the implementation of personal budgets for Special Educational Needs and Disabilities (SEND) home to school transport.
- A SEN strategy for the next 5 years is being developed in late 2015/16 for 2016/17 onwards. This will look to alleviate pressures caused by SEN on education and client transport budgets.
- The Business Unit is also working with HQ colleagues on progressing transformation savings and is currently undertaking a major restructure as part of this.

## **Education & Skills (DSG side)**

Dedicated Schools Grant (DSG) activities are also forecasting significant pressures especially due to high needs budgets (special schools, independent schools places etc) due to funding from the Department for Education not adequately recognising the growth in places needed and the pressure caused by Education & Health Care Plan (EHCP) changes which result in our responsibility extending from 0 years of now and to 25 years now.

Schools are also under increasing pressures financially with freezes in funding per pupil against National Insurance and Pension changes affecting staff costs before any pay award is agreed, plus the impact of the national living wage when it comes in. This means schools are (through the Schools Forum) challenging all spend agreed out of the Dedicated Schools Grant, that does not directly go to schools. The DSG reserve is currently forecasting to be empty by the year end, having had over £10m on reserves two years ago.

These forecasts are based on complex and volatile volumes and therefore forecasts may move significantly by year end (c. £+/- £0.5m on both Children's Care and Client Transport)

### **Key issues**

- Statutory demand pressures for children's care services and education (SEN especially)
- Significant price pressures due to market forces for staff, placements and transport.

- Inadequate funding from DfE for new burdens
- Inadequate allowance in MTFP assumptions for growth and inflationary pressures
- Limited scope for significant further savings, given high proportion of costs are client costs and the associated staff to meet statutory requirements.
- Balancing the budget in year is not possible and balancing future years will require significant changes to some activities which may be very challenging for the Council and which may reduce the ability of the Council to reduce demand for services in future.

### **Financial and Resource Implications**

The current budget position is the best forecast at this point in time. The placement activity is volatile and the unit costs have risen significantly in the last year for the reasons mentioned above.

A lot of work has been done to reduce our costs through commissioning more effectively but despite this the competitive market situation has driven up costs for residential placements. So despite not increasing our number of children in residential care for 3 years our costs have risen by 15 %. Against the national trend our numbers of looked after children have not significantly risen in the last year.

Contingency bids have been submitted for some areas:

- £250k client transport pressure
- £500k recruitment & retention pressure
- £500k placements pressures (Plus additional £300k)

The limited reserves for SEN reform, adoption reform and OFSTED improvement are all fully committed and any in year use would require additional budgets to be built in to MTFP assumptions in future years. There is limited ability to generate income or raise prices.

Most of the pressures are recurrent. This means that the MTFP has to reflect these as pressures in future years.



## Appendix 1 Draft end of November Budget for CSCL by activity

	Current budget	Current forecast	Current variance
<b>▣ C1 Cabinet - Children's Services</b>	<b>55,093,388</b>	<b>58,120,103</b>	<b>3,026,715</b>
C1-8CCPPC LA Children & Families Commissioning	4,445,204	4,274,946	-170,258
C1-8CCPPE LA External Placements	14,590,568	16,745,739	2,155,171
C1-8CCPPL LA Legal	1,572,569	1,749,569	177,000
C1-8CSAAAD LA Family Resilience	1,123,866	979,984	-143,882
C1-8CSBBBC LA CWD	2,524,439	2,370,328	-154,111
C1-8CSBBBF LA First Response	3,162,750	3,395,119	232,369
C1-8CSBBBN LA CiN North	3,097,642	3,337,723	240,081
C1-8CSBBBS LA CiN South	3,747,173	3,939,328	192,155
C1-8CSCCCL LA Children in Care	3,816,740	4,113,368	296,628
C1-8CSDDDA LA Permanence	2,893,507	3,002,672	109,165
C1-8CSDDDF LA Fostering	2,413,653	2,474,718	61,065
C1-8CSDDDH LA First Step	646,180	723,609	77,429
C1-8CSDDDR LA Residential	586,935	559,810	-27,125
C1-8CSDDDS LA Supervised Contact	998,603	935,689	-62,914
C1-8CSDDDT LA SGOs	1,017,862	1,097,500	79,638
C1-8CSNNNM LA Management & Overheads - C & F	5,363,761	5,373,138	9,377
C1-8CSNNNP LA YOS	681,267	681,267	0
C1-8CSNNNS LA BSCB	136,309	137,943	1,634
C1-8CSRRRQ LA Quality, Standards & Performance	2,372,107	2,227,653	-144,454
(blank)	-97,747	0	97,747
<b>▣ C2 Cabinet - Education and Skills (LA)</b>	<b>37,869,469</b>	<b>38,930,307</b>	<b>1,060,838</b>
C2-7CXEEE Client Transport Central Costs	1,600,345	1,600,000	-345
C2-8CCCCC LA CYPT Programme	517,684	495,827	-21,857
C2-8CCCCD LA Children's Centres	-1,963	0	1,963
C2-8CCCCP LA Policy & Equalities	167,800	171,800	4,000
C2-8CCFAFF LA Fair Access	378,928	394,766	15,838
C2-8CCFAFY LA Youth Provision	1,498,794	1,382,314	-116,480
C2-8CCLLLD LA Business Development	0	0	0
C2-8CCLLLS LA School Improvement	2,910,582	2,916,582	6,000
C2-8CCMMM LA Management	810,618	983,968	173,350
C2-8CCMMMP LA Schools PRC	2,494,139	2,772,608	278,469
C2-8CCMMMX LA Obsolete (Lrng Skills & Prevention)	0	0	0
C2-8CCNNNE LA Education Psychology	1,065,409	1,108,699	43,290
C2-8CCNNNN LA SEN	567,167	566,311	-856
C2-8CCPPPC LA School Commissioning	154,861	116,726	-38,135
C2-8CCPPPE LA Early Years Commissioning	1,160,434	969,434	-191,000
C2-8CCPPPL LA Legal	292,824	292,824	0
C2-8CCPPPM LA Managed Properties	-5,488	-117,100	-111,612
C2-8CCPPP LA Learnng, Skills & Prevention Commissng	11,063,592	10,954,504	-109,088
C2-8CCPPPQ LA Pooled Budgets	1,451,580	1,387,971	-63,609
C2-8CXMMMC Client Transport Income	0	0	0
C2-8CXMMMF Further Education HTST	112,000	174,190	62,190
C2-8CXMMMP Primary HTST	1,665,000	1,652,905	-12,095
C2-8CXMMMS Secondary HTST	3,939,170	4,026,772	87,602
C2-8CXMMMT Special HTST	6,100,000	6,699,441	599,441
C2-8CXMMMU Pupil Referral Units	275,000	395,816	120,816
(blank)	-349,007	-16,051	332,956
<b>▣ C3 Cabinet - Education and Skills (DSG)</b>	<b>-2,247,001</b>	<b>-2,247,001</b>	<b>-0</b>
<b>Grand Total</b>	<b>90,715,856</b>	<b>94,803,408</b>	<b>4,087,552</b>

## Appendix 2

### Key budget volume and unit cost data for 5 years

Row Labels	Sum of	Sum of	Sum of	Sum of	Sum of	14/15 costs	15/16 costs	14/15 spend	15/16 spend	change
	FTE	FTE	FTE	FTE	FTE					
	2011-12	2012-13	2013-14	2014-15	2015-16					
FCAL052 Ext Placements - Residential	35	41	50	50	49	£ 137,848	£ 188,114	£ 6,889,011	£ 9,183,164	£2,294,153
FCAL072 Ext Placements - Fostering	119	139	158	166	193	£ 43,611	£ 42,433	£ 7,257,527	£ 8,198,521	£ 940,994
FCAL073 Staying Put	1	1	1	1	1	£ 69,324	£ 53,314	£ 70,844	£ 29,279	-£ 41,565
FCAL082 Ext Placements - Mother & Baby	1.2	1.8	1.1	5.9	7.2	£ 55,987	£ 52,310	£ 331,630	£ 377,174	£ 45,545
FCAL152 Ext Placements - Sec Accom.	0.5	0.2	1.0	0.5	1.2	£ 287,099	£ 202,751	£ 154,955	£ 241,528	£ 86,574
FCCL371 CiN Clients North	-	-	-	1	2	£ 38,346	£ 38,047	£ 49,272	£ 81,812	£ 32,540
FCCL375 No Recourse to Public Funds	-	-	-	0	0	£ 19,554	£ 19,607	£ 8,250	£ 6,000	-£ 2,250
FCDL152 S20 and S31 CWD	-	-	-	-	1		£ 40,260		£ 38,830	£ 38,830
FCES181 First Response Team	-	-	-	-	1		£ 39,214		£ 31,286	£ 31,286
FCNQ121 After Care Client Cost	-	-	0	3	2	£ 52,733	£ 47,716	£ 172,503	£ 115,248	-£ 57,255
FCNS044 CiC Client Costs	-	1	15	13	10	£ 40,268	£ 42,102	£ 536,279	£ 417,569	-£ 118,710
FCRF952 Asylum Seekers - Unaccompanied Children	3	5	13	22	19	£ 41,138	£ 38,158	£ 897,599	£ 721,140	-£ 176,459
FCRL100 CiN Clients South	1	1	1	3	4	£ 64,691	£ 42,151	£ 200,807	£ 171,483	-£ 29,324
<b>Grand Total</b>	<b>160</b>	<b>190</b>	<b>241</b>	<b>267</b>	<b>291</b>			<b>£16,568,676</b>	<b>£19,613,035</b>	<b>£3,044,359</b>