



Buckinghamshire County Council
Select Committee
Finance, Performance and Resources

Date: Tuesday 13 September 2016

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

Agenda Item	Time	Page No
1 APOLOGIES FOR ABSENCE/CHANGES IN MEMBERSHIP	10am	
2 DECLARATIONS OF INTEREST To disclose any Personal or Disclosable Pecuniary Interests		
3 MINUTES To agree the Minutes of the Meeting held on 28 June 2016		7 - 12



4 PUBLIC QUESTIONS

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 the 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/getting-involved/>

5 CHAIRMAN'S REPORT

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

6 CHIEF EXECUTIVE DISCUSSION

10.10am

To welcome the new Chief Executive, Rachael Shimmin, and to discuss her initial priorities and plans, particularly in relation to the financial challenges facing the Council.

7 BUDGET SCRUTINY 2016 - SIX-MONTH UPDATE REPORT

10.40am 13 - 20

For the Committee to consider the 6-month update on implementation of agreed recommendations arising from the 2016 Budget Scrutiny Inquiry. For the Committee to discuss status of each recommendation and to delegate authority to the Chairman to complete the report accordingly after the meeting. The completed report will be attached to the Minutes of the meeting.

Attendees:

Richard Ambrose, Director of Assurance

8 Q1 PERFORMANCE REPORT

11.10am 21 - 42

For the Committee to consider the Quarter 1 Performance Report for the financial year 2016/17 which was presented to Cabinet on 11 July 2016 along with the Budget Action plans which are due to be presented to Cabinet on 12 September 2016.

Attendees:

John Chilver, Cabinet Member for Resources

Attachments:

Quarter 1 report with relevant appendices
Budget Action plans

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| 9 | COMMITTEE WORK PROGRAMME
To consider and agree the Committee's work programme for the remainder of 2016. | 11.40am | 43 - 44 |
| 10 | BUSINESS SERVICES PLUS BUSINESS PLAN
The Committee will receive an update on the progress against the commitments set out within the Business Services Plus Business Plan which was reviewed by the Committee in March 2016. | 12 noon | 45 - 50 |

Attendees:

John Chilver, Cabinet Member for Resources
Gill Quinton, Managing Director, BSP
Jonathon Noble, Commercial Director, BSP

Attachments:

Progress report attached

- | | | | |
|----|--|---------|---------|
| 11 | 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) | | |
| 12 | BUSINESS SERVICES PLUS BUSINESS PLAN
For the Committee to consider the confidential report. | 12.30pm | 51 - 54 |

Attendees:

John Chilver, Cabinet Member for Resources
Gill Quinton, Managing Director, BSP
Jonathon Noble, Commercial Director, BSP

Attachments:

Confidential report attached

- | | | | |
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| 13 | DATE AND TIME OF NEXT MEETING
The next meeting is due to take place on Tuesday 1 November at 10am in Mezz Room 2, County Hall, Aylesbury. | 1pm | |
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Future meeting

Tuesday 13 December

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.

If you have any queries regarding this, please contact Member Services on 01296 382876.

If you would like to attend a meeting, but need extra help to do so, for example because of a disability, please contact us as early as possible, so that we can try to put the right support in place.

For further information please contact: Liz Wheaton on 01296 383856; Email ewheaton@buckscc.gov.uk

Members

Mr W Chapple OBE (C)
Mr D Dhillon
Ms N Glover
Mr S Lambert

Mr D Martin
Mr D Shakespeare OBE (VC)
Mr A Stevens
Vacancy





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 28 JUNE 2016, IN MEZZANINE ROOM 2, COUNTY HALL, AYLESBURY, COMMENCING AT 10.00 AM AND CONCLUDING AT 12.17 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)

MEMBERS PRESENT

Mr W Chapple OBE (Chairman), Ms N Glover and Mr D Martin

OTHERS IN ATTENDANCE

Mr R Ambrose, Ms A Colonnese, Lin Hazell, Mr J Huskinson, Mr D Johnston, Mr Z Mohammed, Ms J Moore, Mrs E Wheaton and Mr N Wilson

1 APOLOGIES FOR ABSENCE/CHANGES IN MEMBERSHIP

Apologies were received from Mr Steven Lambert, Mr Dev Dhillon, Mr David Shakespeare OBE and Mr Alan Stevens.

Mrs Netta Glover and Mr Dev Dhillon were welcomed as new Members on the Committee.

2 DECLARATIONS OF INTEREST

There were no declarations of interest.

3 MINUTES

The Minutes of the Meetings held on Tuesday 3 May and Tuesday 7 June were agreed as correct records.

4 PUBLIC QUESTIONS



There were no public questions.

5 CHAIRMAN'S REPORT

The Chairman reported that the Income Generation Inquiry had started and the first evidence gathering session had taken place.

The Chairman thanked Mr Brian Roberts for his hard work as Chairman of the Select Committee and asked for a letter of thanks to be sent to Mr Roberts.

ACTION: Chairman to send a letter to Mr Roberts

6 RENT-IN-ADVANCE - RECOMMENDATION MONITORING

The Chairman welcomed Janice Moore, Assessments & Welfare Benefits Team Leader and Anna Colonnese, Local Emergency Support Co-ordinator.

Members discussed the progress of the recommendations made in the Rent-in-Advance Inquiry and the following main points were made:-

- Initially it was agreed to deposit £30k with the Credit Union for the rent-in-advance scheme which was then increased to £50k. After further research, the decision was agreed to use the original sum of £30k by way of a conditional grant rather than a subordinated loan.
- Further discussions still need to be had with the Credit Union so the scheme was now due to start in this financial year (16/17).
- A Member asked whether the results of the feasibility study would help to reduce duplication in the system and increase flexibility within the existing local emergency support service and make it more “user friendly”. Ms Moore explained that there would be closer working with partner agencies so that food vouchers could be accessed more quickly. The LES team already worked with the Citizen’s Advice Bureau who administered monetary vouchers and the team also worked with food banks across the county.
- In response to a question around whether the terms and conditions had been drawn up by the Legal team, Ms Moore explained that the scheme would now be undertaken as a Service Level Agreement between the Credit Union and the County Council.

Members discussed the recommendations and gave the following RAG status to each recommendation.

Recommendation 1 – due to a lack of information on the progress of this recommendation, Members gave this a red triangle.

Recommendation 2 – Members felt that this recommendation was on track so gave this a green star.

Recommendation 3 – Members felt that this recommendation was on track so gave this a green star.

7 CHILDREN'S SERVICES - BUDGET SAVINGS MONITORING

The Chairman welcomed Ms Lin Hazell, Cabinet Member for Children’s Services, Mr David Johnston, Managing Director of Children’s Social Care and Mr John Huskinson, Finance Director.

The following main points were made during the presentation:-

- The portfolio reported an overspend situation.
- The service had seen an increase in the number of placements being made which had created additional pressure on the budget.
- A Digital Lead for the service had been appointed to assist with delivering some of the digital savings.
- The service reported 37 successful adoptions last year.
- There was a need to recruit new specialist foster carers. A recruitment partner would be identified shortly to improve performance of the fostering team.
- In response to a Member question, the number of agency social workers would continue to reduce incrementally from July.
- Converting agency staff to permanent staff had been successful for some staff and managers had worked hard to create a good working environment for social workers.
- Following a discussion around unaccompanied asylum seeking children, the Finance Director confirmed that a sum of money would need to be made available through the MTP process this year and this figure would vary depending on the number of young people placed in Buckinghamshire.
- A Member asked whether the Special Guardianship Orders create any cost savings for the service. The Managing Director responded by saying that these did not create huge savings and there would be ongoing costs for some years.
- A Member expressed concern about the proposed savings to be made to short breaks for disabled children and their families. The Managing Director explained that the aim was to support parents as much as possible and to provide the service in a slightly different way in order to deliver the savings. The Service Area needed to make some savings in this area of provision and would be looking to deliver services and ensure equity in services and reduce the impact on those who really needed the support.

The Chairman asked that any future reporting on MTP savings include the baseline budget figures for each activity.

ACTION: Richard Ambrose, Director of Assurance

The Chairman thanked the Cabinet Member, Mr Johnston and Mr Huskinson for their presentation.

SEE PAPERS AND WEBCAST FOR FULL CONTENT

8 EDUCATION & SKILLS - BUDGET SAVINGS MONITORING

The Chairman welcomed Mr Zahir Mohammed, Cabinet Member for Education & Skills, Mr David Johnston, Managing Director for Children's Social Care, Mr Nick Wilson, Service Director for Education and Mr John Huskinson, Finance Director.

The following main points were made during the presentation:-

- There had been a significant increase in the number of SEND children which had put pressure on the budget.
- In response to a question around managing the demand of SEND children, the Service Director explained that work was underway to re-design the service offer.
- The Family Information Service was partly funded by the DSG (Delegated Schools Grant) and discussions would be taking place with Schools Forum on how this funding would continue.
- The Home to School transport review was reported as a "work in progress".

- Future Shape savings would primarily be made through the Home to School Strategic Options Appraisal. The Transport Economy and Environment Business Unit would be working closely with the Children’s Business Unit to manage the pressures on client transport.
- The Clinical Commissioning Group savings through additional income were still being discussed.
- In response to a question about Children’s Centres, the Managing Director explained that these were being reviewed as part of the Family Support Review. The Finance Director added that the budget savings against this activity should be changed from green to amber as the savings had been made this year but there was a risk to the savings being made in subsequent years.

ACTION: Finance Director to amend the MTP savings table

- Schools were being encouraged to take on the direct licence for the Duke of Edinburgh Award.

The Chairman thanked the Cabinet Member and officers for their presentation.

SEE PAPERS AND WEBCAST FOR FULL CONTENT

9 Q4 PERFORMANCE AND RISK REPORT

The Chairman welcomed Mr Richard Ambrose, Director of Assurance, who took Members through the Q4 performance and risk report. The following main points were made:-

- The report went to Cabinet on 23 May.
- The provisional outturn position for Revenue reported an overspend of £363k which was a significant improvement from the Q3 forecast outturn of an overspend of £1.7m.
- During 2015/16, the Council achieved its targets across 66% of the performance indicators.
- Total capital slippage was £22.6m of which £6m was allocated to Local Enterprise Partnership projects.
- In response to a question about the 13 red indicators which continue to go down, Mr Ambrose explained that during 2016/17, all the indicators would be reviewed to ensure they remained realistic.
- A Member asked specifically about the Future Shape savings and asked for reassurance that these savings could be made across the Council. Mr Ambrose responded by saying that a huge amount of work had been undertaken across the portfolios to identify savings and develop plans around delivering the savings. Digital Leads had been appointed in each Business Unit to drive forward the digital savings.
- A Member queried the number of FTE’s as the number had increased from 2088 in 2014/15 to 2409 in 2015/16. Mr Ambrose agreed to look into this after the meeting (see below for response).

Addendum

Response from the Management Information team

“The reason the total FTE had increased so much, was because Adult Learning Tutors and Deputy Registrars had been included in the FTE counts throughout 2015/16, and they were not included in the 14/15 figures”.

- In response to a question around seeking assurances that the savings could be made, Mr Ambrose said that the budget was broadly on track to achieve the savings and the budget was being monitored closely. If the savings which had currently been identified could not be made, then alternative ways of making the savings would need to be sought.

The Chairman thanked Mr Ambrose for his presentation. He added that the Select Committee would continue to monitor the budget savings closely over the coming months.

10 COMMITTEE WORK PROGRAMME

Members noted the work programme. It was agreed to include the following items for the September meeting:-

- Property update
- Update on the delivery of the Council's training programme and skills gap report
- Business Services Plus update
- Budget Scrutiny – 6 month recommendation monitoring
- Q1 performance results
- Green Park update (exempt session)

It was also agreed to invite the new Chief Executive to the September meeting.

ACTION: Committee & Governance Adviser to invite the Chief Executive

Possible future agenda item about the effects to the Council of leaving the European Union.

11 DATE AND TIME OF NEXT MEETING

The next meeting will take place on Tuesday 13 September at 10am in Mezz Room 2, County Hall, Aylesbury.

CHAIRMAN

Budget Scrutiny Inquiry Progress Update on Recommendations
Interim Progress Report (6 months on)

Select Committee Inquiry Report Completion Date: February 2016

Date of this update: September 2016

Lead Officer responsible for this response: Richard Ambrose

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

Accepted Recommendations	Original Response and Actions	Progress Update	Committee Assessment of Progress (RAG status)
1. That the delivery of all the savings required in the Medium Term Financial Plan be robustly monitored. The savings delivery programme should be overseen corporately and include quarterly reports to the Finance, Performance and Resources Select Committee	Yes - In part It is absolutely the intention of Cabinet that savings will be robustly monitored. Cabinet will continue to require quarterly reports on progress both on savings and on overall expenditure and achievement of KPIs. All reports to Cabinet are available to all members.	On-going – The MTP approved savings are being robustly monitored on a monthly basis and will be formally reported to Cabinet on a quarterly basis.	[To be left blank for Committee to verbally discuss at Committee meeting]
2. That any new proposals for unidentified savings should ensure due process is followed, including Equality Impact Assessments and public consultation on specific proposals prior to a decision	Yes - In part As detailed proposals for changes in service provision are developed, then the Council will undertake consultations as appropriate and prepare EIAs to inform its decision making and fully meet its statutory requirements.	No further updates. The importance of EIA's and consultation to meet our statutory duties are being highlighted as part of the upcoming MTP process	
3. That a review of the Future Shape Business Case, agreed by Cabinet in December 2014, is undertaken to assess whether the benefits	Yes – already underway The Cabinet have already identified this as a first priority for the newly appointed Chief Executive in 2016. The One Council Board has started the	On-going – The One Council Board has undertaken an initial analysis of the progress in delivering the benefits of the Future Shape business case, and identified areas of immediate focus. The new Chief Executive takes up post on 1 September and will be considering how to progress this work.	

<p>originally envisaged have been achieved and lessons learnt, as well as make recommendations on any changes to the approach needed</p>	<p>background work to underpin this review, which will be reported to Cabinet following the appointment and agreement of the new Chief Executive.</p>		
<p>4. That business cases for any new Alternative Delivery Vehicles are developed with full consideration to all the possible delivery models and that these include clear and consistent proposals for future governance arrangements so that Members can be assured that adequate controls and contract management are in place. A review of existing ADVs should be undertaken to ensure they are delivering against their business plan</p>	<p>Yes – already underway</p> <p>The Cabinet have already commissioned a review of the new Delivery Vehicles, with a focus on both delivery against the original business cases and lessons for the future including future governance arrangements</p>	<p>On-going – A review of ‘lessons learned’ from the current ADVs has been undertaken and, as a result, a protocol for the development of new ADVs has been developed, including guidance around governance arrangements.</p> <p>The business case of each individual ADV is currently being reviewed and recommendations will be presented to Cabinet later this year.</p>	
<p>6. To undertake a review of the current levels of agency and interim/consultancy staff across the organisation to consider how to reduce unnecessary costs</p>	<p>Yes - already underway</p> <p>The use of agency and interim staff across the organisation is already subject to regular review. Bi-annual reports are presented to the One Council Board and to Cabinet Members to review agency usage across the organisation. As a consequence a number of actions have already been taken to reduce spend including a moratorium on the appointment of any new agency staff other than those required to cover critical posts, a review</p>	<p>On-going - Monitoring reports are presented to the One Council Board and to Leaders Advisory Group on a bi-annual basis with more regular monitoring reports being discussed at Business Unit Boards. Each Business Unit has been tasked with closely monitoring and reducing agency spend.</p>	

	<p>of all existing agency staff and termination of contracts where possible, a review of long-standing agency workers and development of strategies to replace with permanent staff where economically viable.</p>		
<p>7. To undertake a review of the Pertemps contract to ensure that this remains the most cost-efficient way of meeting the Council's needs</p>	<p>Yes – already underway</p> <p>There are a number of misunderstandings in the Budget Scrutiny Inquiry Report. In para 25 the additional fees quoted are not representative of Pertemps charges. Pertemps do not operate charges of this nature. Outside the Pertemps contract, other agencies may charge between 20-30% of salary costs and may also have clauses to restrict us from being able to convert an agency worker to permanent without the payment of significant fees. However, we now require all new requests for agency workers to be commissioned via the Pertemps contract to avoid additional fees of this nature.</p> <p>In para 27 of the report, it suggests that the Pertemps contract limits our ability to be competitive. The Pertemps contract is a Master Vendor arrangement which means they act as the conduit to supply all BCC agency workers. We get the best rates if they can supply to us themselves, but where they cannot do this, they open up vacancies to other agencies that are signed up to their supply chain at centrally agreed rates, which are much more economical than those we would</p>	<p>Completed - The Pertemps Contract and performance are reviewed at scheduled contract Governance Meetings.</p> <p>The shared HR service with Harrow provides us with another opportunity to look at contractual arrangements with a view to determining the optimum operating model. A joint piece of work to look at future operating models has now been commissioned.</p>	

	<p>be able to obtain by approaching the agencies directly. We have clear SLAs to determine when they open up vacancies to the supply chain.</p> <p>We also benefit from rebates on the Pertemps contract. This year we are budgeting on income of around £140K.</p> <p>The Pertemps contract was renewed in April 2015 and has another 2 years to run plus an option to extend for another year if required. Operation of the contract is reviewed regularly via Operational Management meetings and via a Governance Board which includes the Cabinet Member for Finance and Resources.</p>		
<p>8. To undertake a specific project to identify skills gaps within the Business Units and to work across the organisation to upskill the existing staff and to recruit people with commercial skills to current vacancies</p>	<p>Yes – already underway</p> <p>The Future Shape Programme contained a programme work stream entitled People and Organisational Change. The purpose of this work stream was in part to identify and understand any skills gaps in the organisation that may impact on our ability to become a commercially minded organisation. As part of this work, commercial skills were identified as a key development need. A series of activities have been put in place to develop commercial skills including:</p> <ul style="list-style-type: none"> - Workforce development plans for each Business Unit which identify skills gaps. - Commercial awareness training available to all employees including courses such as 	<p>On-going - Skills training is a constant feature of the learning and development programme. A number of mandatory training programmes have now been put in place supported by additional optional programmes. The Future Shape skills gaps continue to be our focus of activity in the training programmes offered to staff.</p>	

	<p>Commercial Instinct, Effective Bid Writing etc.</p> <ul style="list-style-type: none"> - A robust training and development programme, which identified contract managers across the organisation on Contract Management skills. All contract managers of platinum and gold suppliers have been trained and included action learning sets - Supplier Management Group has been refreshed to focus on: Delivering collaborative work-streams identified in the Commercial Plan such as 'low cost / no cost' solutions, Platinum Plus supplier events and knowledge / skills sharing <p>New job families and role profiles have been developed which include commercial acumen. Recruitment processes ensure that these competencies are identified and assessed in new recruits where appropriate.</p>		
<p>10. To undertake a detailed review of the gully cleaning programme with the objective of achieving greater efficiencies in the use of the plant and equipment</p>	<p>In part</p> <p>A detailed review of the gully cleaning operation was conducted in 2015, to improve plant utilisation. The review focused specifically on adopting a split shift approach, extending the gully cleaning operation from 6.00am until 10.00pm (depending on the time of year). This would require two specific crews per machine per shift.</p>	<p>On-going – Focusing on the risk based approach to gully emptying we have moved to a place where gullies are emptied once every 18 months rather than once a year. In general this has been achieved by emptying gullies on A and B roads and at known flood sites once a year and others are done less frequently based on data collected on the need for emptying last year. The only area where we are still working on an annual emptying cycle is Aylesbury as the data for this area was not as robust – this is being rectified as part of this years' programme. As we build up historical records of cleaning needs we would look to further</p>	





	<p>A number of concerns about the split shift approach were raised by the workforce – including increased driver / operative fatigue, highway safety during early morning and night operations, traffic management on primary routes, customer dissatisfaction in residential areas for early morning and night/evening operation, and increased fleet maintenance and support (breakdown recovery). It was agreed these concerns would need to be addressed before this option can be implemented.</p> <p>The current focus of this service is based on an asset needs based approach (basically seeking to prioritise those gullies most likely to flood or have inherent problems). However the split shift approach will be revisited during 2016.</p>	<p>stretch the average cleaning frequency over the next few years until we have optimised the frequency on an evidential risk based approach.</p> <p>This year we currently have reduced the number of Gully Emptiers we are using from three to two.</p> <p>We also deploy, for problematic locations, a Supersucker to ensure we can achieve the best outcomes from the resources available and affordable.</p>	
11. To undertake an options appraisal to assess the cost/benefits of different delivery models for the Fostering and Adoption service, including exploring outsourcing	<p>Yes – already underway</p> <p>The Business Unit is currently undertaking an options appraisal to assess the most appropriate delivery model for the fostering service. In relation to the Adoption service, the Council has recently joined forces with a number of other Councils to form a Regional Adoption Agency led by Coram, in accordance with the Government's ambition for adoption services.</p>	<p>Completed.</p> <p>Options appraisal has been undertaken in May 2016. Decision made to tender for an improvement partner either from another Local Authority or an independent foster provider. Tender process has been completed and just awaiting issue to independent foster provider. The new provider will begin work from September 2016.</p>	
12. To ensure a full public consultation in relation to Children's Centres on all the options for delivering	<p>In part</p> <p>The Business Unit will examine all options with regard to Children's</p>	<p>On-going – Further updates to follow in the Autumn (2016)</p>	

the service in a different way prior to a key decision on any service change. To work in conjunction with Public Health to understand the full impact on the proposed service reduction	Centres which still enable the necessary savings to be achieved. All options will be consulted upon as appropriate and in accordance with statutory requirements	The Business Unit will examine all options with regard to Children's Centres which still enable the necessary savings to be achieved. All options will be consulted upon as appropriate and in accordance with statutory requirements	
13. That an options appraisal be carried out on the Educational Psychology Service to assess the best delivery model for this service to maximise the income generation potential	Yes The EPS is already successful at generating income to support the costs of the service. The Business Unit will explore a range of options in order to assess the opportunities for enhancing the income generation potential.	On-going. Educational Psychology service has generated approx. £44,300 through the recent buyback with schools. The demand for services from schools (non-statutory) has outstripped the current resource capability of the EP team. Steps are being taken to recruit staff in order to deliver EP services. Statutory work increased over past 2 years; in real terms being around 150% increase due to the SEND reforms. The result has been that EPS service has been pulled away from cost recovery work. Early prevention work could be provided but the work is being diverted to the statutory work. 2 FTEs short.	
14. To review the charging policies for all Home to School transport users to ensure maximum income generation opportunities are explored. To undertake a timely public consultation on any proposed changes to the service	In part The Business Unit continues to keep the charging policies for home to school transport under review. Any changes will be consulted upon as appropriate and in accordance with statutory requirements	On-going. Detailed consultation has been undertaken with parents in accordance with statutory requirements and stakeholders and cabinet member is considering the responses and the implications of any changes to the charging model.	
15. To look at alternative ways of delivering the Youth Counselling Service without cutting the service completely (for example, reduce the number of paid	Yes The Cabinet recognises the importance of the Youth Counselling Service and is committed to continuing its support for the service as far as possible, within the	On-going. Further updates to follow in the Autumn (2016)	

staff and explore possibilities of joint funding the service with Oxford Health Trust)	resources available. The Business Unit will explore all possible options to achieve this.		
16. To explore other ways to keep the Duke of Edinburgh Award programme running (for example, explore the idea of a private company/companies sponsoring the programme and target those who currently employ a number of apprentices)	Yes The Duke of Edinburgh Award programme is highly regarded across the County, providing valuable opportunities for young people to develop skills for life. The Business Unit will look at ways for private and voluntary sector organisations to provide ongoing support for the programme in Buckinghamshire.	On-going To continue the Duke of Edinburgh scheme Bucks Youth is working closely with schools to transfer the Duke Of Edinburgh licence to individual schools. A list of new licence holders will be provided at the next update.	

Please note – Recommendations 5 and 9 were not agreed by Cabinet

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>

Report to Cabinet

Title: Quarter 1 Performance Report

Date: Monday 11 July 2016

Date can be implemented: Tuesday 19 July 2016

Author: Cabinet Member for Resources

Contact officer: Matt Strevens (ext. 3181)

Local members affected:

Portfolio areas affected: All

For press enquiries concerning this report, please contact the media office on 01296 382444

Purpose of the Report



This report provides information on the financial performance for the council for the first quarter of the financial year 2016/17.

The Financial information informs Cabinet of the quarter 1 revenue and capital forecast outturn position for the financial year 2016/17. A full analysis of the forecast outturn of Portfolios and the Council as a whole is contained in the appendices to this report.

Background

This report shows the budget monitoring position as reported to Business Unit Boards.

As well as narrative information, finance performance against target is shown visually as follows:

	<p>Green Performance is on or above target</p> <p>(Revenue under spends against budget and overspends up to +0.1% are shown as green) (Capital underspends / slippages up to 10% are shown as green)</p>
	<p>Amber Performance is below target</p> <p>(+0.1% to +1%) for financial performance (Capital slippage over 10%)</p>



Red

Performance is well below target
(worse than +1%) for financial performance

Summary

1. Managing Resources (Finance)

Revenue

The overall revenue forecast is an underspend of £0.3m. This comprises portfolio overspends of £5.4m, offset by underspends in Corporate Costs (contingencies) of £5.7m.

Table 1 of **appendix 1** shows a breakdown of both the Portfolios forecast revenue overspend which is £5.4m (1.9%) against the net portfolio revenue budget of £297.3m, and the Corporate Costs and Funding position according to the Business Unit forecasts for mid of June 2016.

The most significant pressures fall in the Children's Services and Education & Skills portfolios, which are forecasting a combined overspend of £4.1m. Further detail is reported in Appendix 2.

Further details on all revenue budgets are set out in the Portfolio tables in **appendix 2** of this report.

Capital

Overall the Capital Programme shows a net underspend of £1.4m against planned budgets for the year, according to the forecasts for the end of June 2015.

Further details on the capital budgets are set out in the Portfolio tables in **appendix 2** of this report.

Other Financial Issues

Details of the monitoring of general fund reserves and payment performance are reported after the tables in **appendix 2** of this report.

Recommendation

Cabinet is asked to:

1. **Note the forecast outturn position for revenue and capital budgets and discuss areas requiring attention.**
2. **Agree to receive a further report in September that updates Cabinet on the revenue position and sets out a clear action plan for bringing any Portfolio forecast overspend back in line with the approved budget.**

A. **Narrative setting out the reasons for the decision**

A full analysis of the forecast outturn and financial performance for the Council for the financial year 2016/17 is contained in **the attached appendices**.

- B. Other options available, and their pros and cons**
None arising directly from this report.
- C. Resource implications**
Actions resulting from consideration of this report may influence future expenditure in areas of concern / interest.
- D. Value For Money (VFM) Self Assessment**
All decisions involving finances are scrutinised to ensure that the best value for money is achieved.
- E. Legal implications**
None arising directly from this report
- F. Property implications**
None arising directly from this report
- G. Other implications/issues**
None arising directly from this report
- H. Feedback from consultation, Local Area Forums and Local Member views**
This reports delivery against the Strategic Plan 2016-20. The content of the Strategic Plan was agreed and published taking into account views of all local members.
- I. Communication issues**
Quarterly monitoring reports on budget and performance position are published on the Council's website.
- J. Progress Monitoring**
The budget and performance monitoring report is updated on a monthly basis to One Council Board.
- K. Review**
Not applicable.

Background Papers

Previous Monitoring reports.

Your questions and views

If you have any questions about the matters contained in this paper please get in touch with the Contact Officer whose telephone number is given at the head of the paper.

If you have any views on this paper that you would like the Cabinet Member to consider, or if you wish to object to the proposed decision, please inform the Member Services Team by 5.00pm on Friday 8 July 2016. This can be done by telephone (to 01296 387969), or e-mail to democracy@buckscc.gov.uk

Appendix 1

1. Revenue Budget issues

- 1.1. The revenue budgets are summarised in Table 1 below. The significant variances are detailed in the relevant Portfolio tables that follow.
- 1.2. The outturn shown in Table 1 is compared to the forecast outturn position at the end of June for each Portfolio.

Table 1 – Summary of Council revenue budget forecast

Portfolio Area	Forecast Outturn	Budget	Variance	Variance
	£000	£000	£000	%
Leader	6,766	6,691	75	1.1%
Community Engagement	10,036	10,036	0	0.0%
Health and Wellbeing	126,862	126,339	523	0.4%
Children's Services	57,073	55,667	1,406	2.5%
Education and Skills	35,105	32,394	2,711	8.4%
Resources	24,091	23,585	506	2.1%
Planning and Environment	10,896	10,750	146	1.4%
Transportation	26,427	26,379	48	0.2%
Subtotal - Portfolios	297,256	291,841	5,415	1.9%
Corporate Costs (Non Portfolio)	(297,542)	(291,842)	(5,700)	2.0%
Overall BCC	(286)	(1)	(285)	

2. Capital Budget Issues


- 2.1 The capital budgets are summarised in Table 2 below. There is an overall underspend / slippage of £1.4m (0.5%).
- 2.2 There is a total of £21.1m unreleased capital budget across the Authority, reflecting schemes which have yet to satisfy criteria for the release of funding.

Table 2 - Capital Budget Table as at June 2016

		Budget £000	Forecast Outturn £000	Variance £000
Total Children's		0	0	0
Total Community Engagement		100	100	0
Total Education & Skills		23,216	23,196	(20)
Total Health & Wellbeing		740	72	(668)
Total Leader		2,895	2,895	0
Total Planning & Environment		182,149	182,140	(9)
Total Resources - ICT		1,405	1,405	0
Total Resources - Property		6,006	6,006	0
Total Transportation		23,859	23,859	0
Total Corporate		(240,370)	(241,114)	(744)
Grand Total		0	0	0
Summary:	Expenditure - Released	241,845	241,816	(29)
	Expenditure - Unreleased	21,086	19,674	(1,412)
	Funding	(262,931)	(262,931)	0
		0	(1,441)	(1,441)

Financial Performance – Leader Portfolio


Cllr. Martin Tett, Leader of the Council

Type	Budget for year £000	Provisional Outturn £000	Year end Variance		Performance
			£000	%	
REVENUE	6,691	6,766	75	1.1%	

REVENUE – COMMENTS

It is expected that the portfolio will overspend by £75k as a result of pressures relating to the Growth Agenda, and the recovery of costs from Section 106 agreements. Management are developing plans to address this situation, however mitigations are not currently in place.

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Type	Budget for year £000	Provisional Outturn £000	Year end Variance		Performance
			£000	%	
CAPITAL					
Released	1,009	1,009	0	0%	
Unreleased	9,405	9,405	0	0%	
Income	-7,519	-7,519	0	0%	

CAPITAL - COMMENTS

The capital budget is expected to break even. Unreleased budgets and income largely relate to schemes delivered on behalf of the LEP.


Cllr. Martin Phillips Cabinet Member

Financial Performance – Community and Public Health

Type	Budget for year £000	Provisional Outturn £000	Year end Variance		Performance
			£000	%	
REVENUE – Community	10,036	10,036	0	0%	
- Public Health	0	0	0	0%	

REVENUE – COMMENTS

The portfolio is forecasting that it will break even. There are currently no budget pressures or risks identified.


28 Type	Budget for year £000	Provisional Outturn £000	Year end Variance		Performance
			£000	%	
CAPITAL Released	130	130	0	0%	
Funding	-30	-30	0	0%	

CAPITAL - COMMENTS

The capital budget relates to the Aylesbury Library Self Service project, which is expected to break even.


Financial Performance – Health & Wellbeing Portfolio

Cllr. Mike Appleyard, Deputy Leader of the Council & Cabinet Member

Type	Budget for year £000	Provisional Outturn £000	Year end Variance		
			£000	%	
REVENUE	126,339	126,862	523	0.4%	

REVENUE – COMMENTS

The portfolio is forecasting an overspend in relation to client transport costs. This forecast is currently under review to ensure the forecast is correct, and the cause is understood. Once this review is completed mitigating actions will be put in place as required. A number of risks to this position exist, including the potential impact of the National Living Wage on care contracts, and increases in client numbers. These are actively being managed within the portfolio.



Type	Budget for year £000	Provisional Outturn £000	Year end Variance		
			£000	%	
CAPITAL					
Released	0	0	0	0%	
Unreleased	740	72	-668	-93.0%	

CAPITAL - COMMENTS

Slippage within the capital programme relates to Orchard House and High Wycombe Opportunities Centre. Both are related to wider property management related issues as part of the review of property provision.

Financial Performance –Children’s Services and Education and Skills Portfolio including Client Transport

Cllr. Lin Hazell & Cllr. Zahir Mohammed

Type	Budget for year £000	Provisional Outturn £000	Year end Variance		Performance
			£000	%	
REVENUE					
Children’s Service	55,667	57,073	1,406	2.5%	
Education and Skills (LA)	32,394	35,105	2,711	8.4%	

REVENUE – COMMENTS

Children’s Services

The portfolio is forecasting an overspend of approximately £1.4m at present. This has arisen because of additional placement costs (£0.5m), an increase in legal costs (£0.5m) and higher staffing costs due to the use of agency staff (£0.7m). These are offset by a number of small underspends to arrive at the forecast overspend of £1.4m.


Education and Skills (non DSG) including Client Transport

Client Transport is currently forecasting £2.2m overspend, of which £1.6m is attributable SEN client costs, £0.4m to mainstream transport and £0.2m to PRU transport costs. An additional £0.4m pressure is reported elsewhere in the portfolio due to the potential non0delivery of existing savings targets.

The Management Team has been asked to develop action plans to mitigate the overspends reported, and these will be reported upon once they have been developed.

Education and Skills (DSG)

The DSG budget is currently reporting a pressure of £2.9m. Schools Forum is being asked to develop plans to address this pressure and bring the DSG budget back into line.


Type	Budget for year £000	Provisional Outturn £000	Year end Variance		Performance
			£000	%	
CAPITAL					
Released	27,809	27,789	-20	0%	
Unreleased	6,473	6,473	0	0%	
Income	-11,066	-11,066	0	0%	

CAPITAL – COMMENTS

It is currently reported that the capital programme will be delivered slightly under budget. This is due to the final cost of the Cottesloe School project being under budget.

Financial Performance – Resources Portfolio


Cllr. John Chilver, Cabinet Member for Resources

Type	Budget for year £000	Provisional Outturn £000	Year end Variance		Performance
			£000	%	
REVENUE	23,585	24,091	506	2.1%	

REVENUE – COMMENTS

The portfolio overspend position is largely as a result of ongoing pressures on Property related budgets (approximately £700k). Specifically overspends relate to Repairs and maintenance costs, the cost of condition surveys, and other unbudgeted costs arising. The action plan to address issues within the Property budgets in 2015/16 remains in place to reduce these pressures, and processes and controls remain under review to mitigate the current level of overspend.

The Strategic Assets team is forecasting additional income from property leases and the Waterside North car park, which partially offsets the overspend above.


Type	Budget for year £000	Provisional Outturn £000	Year end Variance		Performance
			£000	%	
CAPITAL					
Released	5,070	5,070	0	0%	
Unreleased	2,634	2,634	0	0%	
Income	-293	-293	0	0%	

CAPITAL - COMMENTS

At present it is expected that both Property and ICT capital programmes will be delivered to budget. Within Property budgets there may need to be some re-profiling between planned maintenance and schools maintenance to ensure this position is maintained.


Financial Performance – Planning & Environment Portfolio

Cllr. Warren Whyte – Member for Planning & Environment

Type	Budget for year £000	Provisional Outturn £000	Year end Variance		Performance
			£000	%	
REVENUE	10,750	10,896	146	1.4%	

REVENUE – COMMENTS

The portfolio is currently experiencing a number of small pressures relating to reduced Renewable Heat Incentive income, and staff cost pressures across a number of teams.


Type	Budget for year £000	Provisional Outturn £000	Year end Variance		Performance
			£000	%	
CAPITAL					
Released	182,088	182,079	-9	0%	
Unreleased	580	580	0	0%	
Income	-519	-519	0	0%	

CAPITAL – COMMENTS

A small underspend is expected in the capital programme. The major element within the capital programme this year is the completion of the Energy from Waste plant, which is due imminently.

Financial Performance – Transportation Portfolio


Cllr. Mark Shaw, Cabinet Member for Transportation

Type	Budget for year £000	Provisional Outturn £000	Year end Variance		Performance
			£000	%	
REVENUE	26,379	26,427	48	0.2%	

REVENUE – COMMENTS

The portfolio is currently reporting a small overspend due to recruitment costs, agency staff costs and slightly reduced income forecasts.

Management are continuing to review all activity budgets across the Transportation budget to identify opportunities for reducing expenditure and achieving a balanced position.

Type	Budget for year £000	Provisional Outturn £000	Year end Variance		Performance
			£000	%	
CAPITAL					
Released	25,739	25,739	0	0%	
Unreleased	510	510	0	0%	
Income	-2,390	-2,390	0	0%	

CAPITAL - COMMENTS

The overall capital position for Transportation is breakeven. The programme of works is currently under review, however it is not expected that this will impact on the forecast position.

Buckinghamshire County Council

Visit democracy.buckscc.gov.uk for councillor information and email alerts for local meetings

Report to Cabinet

Title:	Budget Action Plans
Date:	12 September 2016
Date can be implemented:	20 September 2016
Author:	Cabinet Member for Resources
Contact officer:	Matt Strevens – Corporate Finance Business Partner (ext. 3181)
Local members affected:	
Portfolio areas affected:	All

For press enquiries concerning this report, please contact the media office on 01296 382444

Summary

The Quarter 1 Budget monitoring report to Cabinet reported and identified a significant overspend in the Portfolio Revenue budget for the financial year 2016/17. The purpose of this report is to present to Cabinet the action plans which have been developed by Portfolio management teams to address the reported overspend position, report on progress against these plans and highlight the risks in their delivery.

Recommendation

Cabinet is asked to:

- 1. Note the action plans proposed and the mitigating actions within them, including risks and consequences associated with their delivery, and discuss areas requiring attention.**
- 2. Provide a steer on the acceptability of proposals made and other options which might be considered.**

Introduction

Under Section B6 (Financial Control) paragraph B6.5 of the Financial Regulations the following applies;

'If net expenditure exceeds an approved budget for a project or service the HQ / Managing Director will as soon as possible report it to the relevant Cabinet Member(s) and Director of Assurance and take all appropriate mitigating action.'

The purpose of this report is to respond to Cabinet's request for reporting of action plans to address areas where net revenue expenditure is forecast to exceed the approved budget, and identify and formalise the mitigating actions which are planned to address these forecast overspends.

Latest Portfolio outturn position

At Cabinet on 11th July 2016 the Quarter 1 financial monitoring report was presented. The forecast outturn within this report was a very early estimate of the outturn, largely based on May data, and significant action has been taken to review and better understand the pressures on budgets reported within that report.

The table below reflects the latest forecast outturn by Portfolio, as at the middle of August, incorporating the detailed review and resultant revised forecasts.

Table 1 – latest Portfolio forecasts

Portfolio Area	Forecast Outturn £000	Budget £000	Variance £000	Variance %
Leader	6,740	6,817	- 77	-1.1%
Community Engagement	10,227	10,227	-	0.0%
Health & Wellbeing	126,756	126,756	-	0.0%
Children's Services	59,045	56,545	2,500	4.4%
Education & Skills	34,398	31,268	3,130	10.0%
Resources	23,368	23,287	81	0.3%
Planning & Environment	10,917	11,036	- 119	-1.1%
Transportation	27,757	27,559	198	0.7%
Subtotal - Portfolios	299,208	293,495	5,713	1.9%
Corporate Costs (Non Portfolio)	- 299,340	- 293,512	- 5,828	2.0%
Overall BCC	- 132	- 17	- 115	

Whilst this table shows that the total overspend in Portfolio budgets is forecast to be £5.713m, it should be noted that there was also a reported underspend of £5.828m on Corporate Costs which reduces the overall position to an underspend to £0.115m.

Details of the pressures behind these forecasts are contained in Appendix I.

Key changes since the Quarter 1 Cabinet report are as follows;

- the Leaders portfolio no longer reports an overspend
- Health & Wellbeing no longer reports an overspend
- Planning & Environment no longer reports an overspend

- Resources has reduced its forecast overspend to £81k (from £506k)
- Children’s Services forecast overspend has increased to £2,500k (from £1,406k)
- Education & Skills forecast overspend has increased to £3,130k (from £2,711k)
- Transportations overspend has increased to £198k (from £48k)

Contingency budgets

The Corporate Costs underspend (in Table 1 above) reflects Contingency budgets which are held corporately to support the pro-active management of budgetary risks. These fall into a number of categories, and it is those classified as ‘Service Risk Contingencies’ which could be used to mitigate the current forecast overspends, however their use would not improve the bottom line, as they are currently forecast as an underspend.

‘Service Risk Contingencies’ are contingency budgets held against specific risks which have been identified through the Medium Term Financial Planning (MTFP) process. This includes items such as the implications for proposed legislative changes (i.e. implications of the Care Act) or the risk associated with demand-led budgets (i.e. Older People Care Packages).

In addition there are ‘Budget Risk Contingencies’ for more general purposes, including the impact of the National Living Wage, Inflation and the risk of non-delivery of planned savings. These largely make up the balance of underspend on Corporate Costs.

The table below shows the balance available on Service Risk Contingency budgets.

Table 2 – Current Service Risk Contingencies held

	Original Budget	Allocated	Revised Budget	Spend	Un-allocated
	£'000	£'000	£'000	£'000	£'000
Service Risk Contingency					
Older People care package choices	100		100		- 100
Social Care pressures	500		500		- 500
Demographics - H&W	1,000		1,000		- 1,000
Demographics - CS	300	- 300	-		-
Winter Maintenance	300		300		- 300
Waste Contingency	1,000		1,000		- 1,000
Childrens safeguarding - high cost placements	500		500		- 500
Total	3,700	- 300	3,400	-	- 3,400

Development and reporting of Action Plans

Following Cabinet’s request for Action plans to be reported to them, a dialogue on this matter has been ongoing through both the One Council Board (through the monthly Business Unit financial reporting process) and within the Management Team of each Business Unit.

Since the Quarter 1 position was reported to Cabinet further work has been undertaken by these groups to quantify the real underlying pressures and to develop proposals to address the revised pressures. For this reason the scale of pressures reported within action plans may differ from the position reported to Cabinet at Quarter 1.

Appendix I (which is confidential by virtue of the identification of individual members of staff and commercial sensitivity) identifies in summary the cause and value of current budget pressures along with the portfolio and service area impacted. It also sets out the proposed mitigating actions, the potential value of the actions, key risks associated with the actions and

the due dates and progress against them. Due to the volume of pressures within Children’s Services and Education & Skills their pressures and mitigations are presented in a different format to others.

Managing Directors and their Management Boards have been asked to provide a response for all forecast overspends in excess of £50k.

A summary by portfolio of the total value of pressures and potential mitigating actions is provided below.

It is recognised that the Children’s portfolios have not been able to identify action plans which mitigate the full scale of the current pressures, but work continues to quantify further opportunities to contain the pressures. However, the nature of these pressures, principally driven by increased demand and complexity in Children’s Social Care and Special Educational Needs within a statutory framework make it difficult to find a quick response.

Table 3 – Summary of Portfolio Action Plans

Portfolio	Value of Pressure	Value of proposed mitigations	Shortfall /(surplus)
	£000's	£000's	£000's
Children's Services	2,500	-	5,270
Education & Skills (LA)	3,130	360	
Resources	250	250	-
Transportation	198	198	-
All Portfolios Total	6,078	808	5,270
Education & Skills (DSG)	3,070	3,300	230

If all mitigations which contribute towards off-setting the reported pressures are delivered there is a shortfall of approximately £5.3m. This is in the order of £1.9m more than the level of Service Risk Contingency currently held to mitigate all such risks. However the balance of underspend within the remainder of the Non-Portfolio Corporate Costs does currently offer the ability to mitigate this balance.

It should be noted that the Dedicated Schools Grant pressures and mitigations have been reported separately as this is a ring-fenced fund and any surplus in delivering mitigations cannot contribute to the Portfolio position as it would remain ring-fenced to DSG activities.

Ongoing monitoring of Action Plans

The monthly budget monitoring reports to One Council Board will, as part of normal business management, continue to include narrative regarding the forecast overspends and the action plans which have been developed to mitigate them.

Managing Directors will be held to account on the delivery of their action plan through this process.

In addition commentary on the latest forecast position, including delivery against the agreed action plans, will be included within the Cabinet ‘Balanced Performance Scorecard and Joint

Budget Monitoring report'. The Quarter 2 report will be presented to Cabinet on 14 November 2016.

Background Papers

Confidential Appendix

Your questions and views

If you have any questions about the matters contained in this paper please get in touch with the Contact Officer whose telephone number is given at the head of the paper.

If you have any views on this paper that you would like the Cabinet Member to consider, or if you wish to object to the proposed decision, please inform the Member Services Team by 5.00pm on 09 September 2016. This can be done by telephone (to 01296 382343), or e-mail to democracy@buckscc.gov.uk

Date	Topic	Description and purpose	Lead Service Officer	Attendees
Finance, Performance & Resources Select Committee				
1 Nov 2016	Buckinghamshire County Council's Apprenticeships Programme	To receive an update on the Council's Apprenticeships Programme and progress towards meeting the Government's targets.	Caroline High, Corporate Training Advisor	John Chilver, Cabinet Member for Resources; Caroline High, Corporate Training Advisor
1 Nov 2016	Property Review	To update the Committee on the outcome of the Council's Property Review	Jo West, Estates Officer	John Chilver, Cabinet Member for Resources; Jo West, Asset Manager, Strategy and Major Projects
1 Nov 2016	Rent-in-Advance Inquiry - 12-month update	To provide the Committee with an update on progress towards implementation of recommendations.	Lloyd Jeffries, Director of Operations	John Chilver, Cabinet Member for Resources; Lloyd Jeffries, Director of Operations, Business Services Plus
1 Nov 2016	Report on Digital Savings	To receive and discuss a report on digital savings achieved by the Council	Matthew Cain, Head of Digital	John Chilver, Cabinet Member for Resources; Matthew Cain, Head of Digital
1 Nov 2016	Budget Scrutiny 2017 Scope	For the Committee to agree the scope for its Budget Scrutiny Inquiry 2017	Clare Capjon, Committee and Governance Manager; Kelly Sutherland, Committee and Governance Adviser	

Date	Topic	Description and purpose	Lead Service Officer	Attendees
1 Nov 2016	Committee Work Programme	For the Committee to agree its updated Work Programme 2016-17	Kelly Sutherland, Committee and Governance Adviser	
13 Dec 2016	Preparation for Budget Scrutiny	For the Committee to consider the draft budget information available, in preparation for Budget Scrutiny 2017	Richard Ambrose, Director of Assurance and Chief Finance Officer	Richard Ambrose, Director of Assurance



Buckinghamshire County Council Select Committee

Finance, Performance and Resources Select Committee

Report to the Finance, Performance and Resources Select Committee

Title:	Business Services Plus Business Plan Review
Committee date:	Tuesday 13 September 2016
Author:	Gill Quinton, Managing Director
Contact officer:	Jonathon Noble, Commercial Director jnoble@buckscc.gov.uk
Cabinet Member sign-off:	John Chilver, Cabinet Member for Resources

Purpose of Agenda Item

The Select Committee have requested an update on the progress against the commitments set out within the BSP Business Plan which was reviewed by the committee in March 2016.

Background

In March 2016 the Select Committee had requested to view the Business Plan for Business Services Plus (BSP) to understand its key functions, priorities and the plans in place to meet these priorities. The Select Committee also wanted assurances that any activities could be delivered within the given budget. The Committee had also expressed an interest in BSP's income generation strategy and its plans around shared services

BSP does business with more than 250 external customers, including schools, academies, charities, and other public authorities such as Buckinghamshire and Milton Keynes Fire & Rescue Authority, Milton Keynes Council and Harrow Council. As local authority, we are not legally able to make profit on the sale of services but the income from these organisations makes a contribution to our overheads, allowing us to sustain services we could not otherwise afford and reducing back office costs to protect frontline services.

The board were updated that to support this activity there was the creation of a new Commercial Team for the business unit. This continues to bring commercial focus to the business unit, which includes securing new business, building relationships to ensure repeat business and looking to share services with other organisations.



The Business plan highlighted the business unit priorities as:

OUR PRIORITIES FOR THE BUSINESS UNIT

- Developing more **Shared Services** with likeminded partners and delivering Strategic Options Appraisals
- **Commercialisation** – generating income and diversifying our customer base
- **Business Improvement** – creating efficiencies and making savings through transformation, smarter ways of working and new technologies

OUR PRIORITIES FOR THE COUNCIL

- **Workforce Challenges** – recruitment, workforce retention, enable the organisation to face the recruitment challenges
- **Work Tools**– delivering tools for people to be able to work efficiently
- **Customer Experience & Demand Management**– the quickest and most efficient way of dealing with customers. Service areas working together to minimise hand offs.

Summary

Particular areas of focus have been:

- Good **progress** has been made against the Business Plan submitted in March 2016 including the design and part implementation of our new **Property Target Operating Model**
- Delivering against our in year **savings challenges** and plans in place for future years
- Development of **Shared Service** opportunities with other LAs
- Achieving/exceeding our **income targets**
- As part of the **next steps** we have a commercial plan in development

Progress

Key issues raised in March 2016	Progress (August 2016)
<p>With the inclusion of Property services, the business unit had inherited an over spend which its leadership team were working to manage. In 2015, the overspend was forecast at £1.2m but by March 2016 this has been managed down to £380k</p>	<p>Good progress continues to bring down the over spend in Property. As it stands in August 2016, this is now showing as £250k.</p> <p>We have improved control of budgets resulting in a reduction in the over spend by introducing a Property Service desk which manages works sent to our contractor.</p> <p>To create a more sustainable operating model we are in the process of retendering our repairs and maintenance contract. We</p>

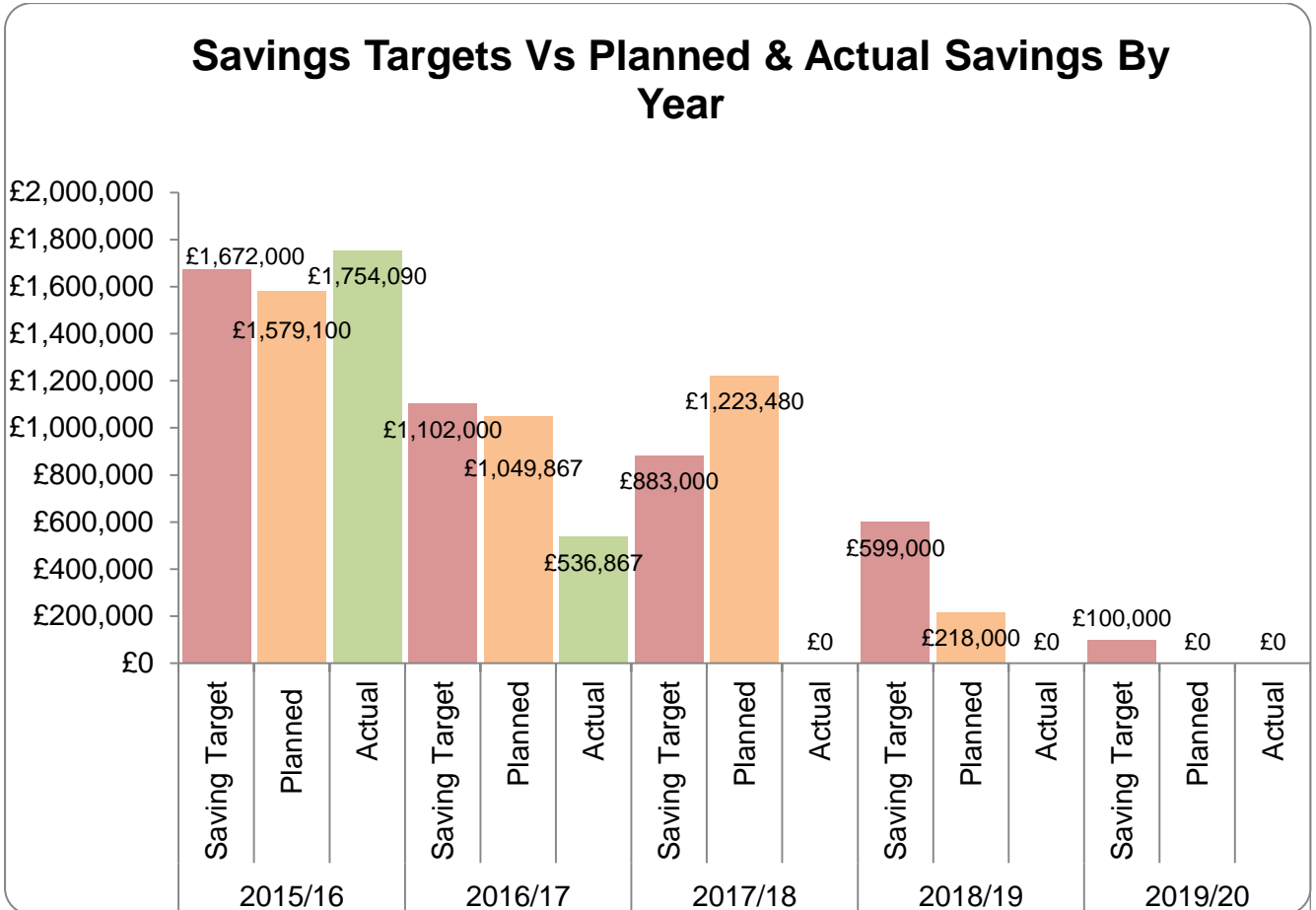


	anticipate that we can prevent approximately £120k of spend with specialist contractors on reactive work. We anticipate that this efficiency will be offset against the current under-priced parts of the pre-planned maintenance contract.
Lack of funding for Legionella and asbestos testing of the County Council's buildings, which the Cabinet Member has set as a priority needed to be addressed	<p>This continues to be a risk to the business unit. Some money has been budgeted for this year and we have now let the contract and commenced the survey process.</p> <p>Unfortunately current potential allocation for next year is not sufficient to cover the requirement and there is no funding currently in place beyond that to cope with issues, particularly with Legionella. With this in mind, a bid has been submitted to the Asset Strategy bid in order to secure funding.</p>

Resource implications raised in March 2016	Progress (August 2016)
Significant resources have been contributed to the Council's Ofsted Improvement Plan, particularly to make enhancements in ICT and to our HR processes	BSP continue to support the Ofsted Improvement Plan. Resource implications are monitored regularly by Directors and at the Ofsted Improvement Board

Savings Challenges

The following chart shows how the savings are profiled and how BSP plans to deliver against the savings targets. It shows that, notwithstanding inherited budget pressures in Property Services, the Business Unit over-delivered on its savings targets in 2015/16 and has plans in place to deliver 93% of our remaining overall target of our £2.7m by 2019/20.



We currently have 19 change projects in progress on our dashboard and 10 delivered projects, which are bringing financial benefits in 16/17 and beyond.



Shared Services

We outlined in March that our focus would be to continue to have conversations and develop opportunities for shared services arrangements with other likeminded partners:

HR Shared Services

Phase 1 of the HR shared service with the London Borough of Harrow went live on 1st August. The new arrangement involves BCC management of Harrow HR services, including employee relations and payroll. It will involve no change for BCC users of the HR service.

Phase 2 of the shared service will involve the transfer of the relevant Harrow staff to BCC and is currently scheduled to take place by April 2017. Once fully operational, the HR shared service will give us opportunities to share knowledge, generate new business and find more efficient ways of working. Our ambition is to drive tangible improvements through creating a more resilient shared team and adopting best practices from each organisation.

Legal Shared Services

From 1 July the Council's legal staff joined HB Public Law – the local government commercial practice first set up by Harrow and Barnet Councils in 2011. HB Public Law becomes the largest local authority legal practice in the country - employing more than 150 lawyers. It is based at the offices of Harrow Council and has a Branch Office at NCO Aylesbury. The practice's diverse portfolio includes the London Borough of Hounslow and district council, Aylesbury Vale.

Our move to join HB Public Law complements existing shared service arrangements with Harrow Council. We provide Harrow with Organisational Development services and agreements are in place to share HR services too. We expect to realise up to £2million savings per year to 2019/20 through shared service arrangements.

We want to find ever greater efficiency from back office functions on top of the considerable savings we've already made by sharing senior posts and support services. We're delighted that HB Public Law can now contribute to this ongoing commitment to save taxpayers thousands.

Service	Delivered By	Savings	Non-Financial Benefits	Progress
OD	BCC	£50k	<ul style="list-style-type: none">• Foundation of relationship• Retained capacity and expertise held by team in BCC• Increasing reputation and exposure of high performing team	Implemented
Legal	LBH	£500k	<ul style="list-style-type: none">• Consolidation of similar models and strategies	Implemented
HR	BCC	£450k	<ul style="list-style-type: none">• Create efficiency and resilience• Improved customer exp.• Enable better use of tech• Future proofing of service	Implemented

We are also in the process of developing a business case with Harrow to look at the opportunities of sharing our SIMS to SAP platform.

Income

Resource implications raised in March 2016	Progress (August 2016)
<p>Good progress has been made on income generation with limited resources for business development and we have been successful in securing business with new customers such as independent schools, charities and other local authorities. We have seen an incremental increase in our external revenue; recent investments in technology, including our ecommerce capability and sales management database should allow us to take this even further.</p>	<p>To date we have received over £2.4m worth of orders relating to upfront annual packages and an additional £400k of pay as used so far this year. We are expected to exceed our target revenue and are also working alongside service areas on a number of opportunities to grow existing accounts and bring in new customers.</p> <p>The Commercial Team has been working with service areas in the business to develop their products, packages and marketing strategies. This has included an update to our website with an enhanced, easier to use online shop. See our new Commercial Services site for more information. https://commercial.buckscc.gov.uk/s4s/</p>

Next steps

- Actively seek out opportunities for further shared services, including additional services to share with Harrow Council and the expansion of the HR model to other authorities.
- Continue to grow and diversify our revenue from services provided to external customers.
- Implement our pipeline of digital opportunities and develop our online marketing presence to transform the Business Unit into a modern, customer-focused service provider that is easy to do business with.



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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