



Minutes

FINANCE, PERFORMANCE AND RESOURCES SELECT COMMITTEE

**MINUTES OF THE FINANCE, PERFORMANCE AND RESOURCES SELECT COMMITTEE
HELD ON TUESDAY 4 JULY 2017, IN MEZZANINE ROOM 1, COUNTY HALL,
AYLESBURY, COMMENCING AT 10.02 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)

MEMBERS PRESENT

Mr T Butcher, Mr C Clare (Vice-Chairman), Mr M Farrow, Mr D Martin, Mr A Walters MBE, Ms J Ward and Mr D Watson (Chairman)

OTHERS IN ATTENDANCE

Mr R Ambrose, Mr J Chilver, Cook, Mr M Grupp, Mr M Strevens, Mrs K Sutherland and Ms R Wileman

1 APOLOGIES FOR ABSENCE/CHANGES IN MEMBERSHIP

Apologies were received from Mr Bill Bendyshe-Brown.

2 DECLARATIONS OF INTEREST

There were none.

3 MINUTES

The minutes of the meetings held on 14th March and 23rd May 2017 were confirmed as a correct record.

4 CHAIRMAN'S WELCOME

The Chairman welcomed new Members to the meeting and reminded them of the wide and interesting remit of the Finance, Performance and Resources Select Committee.



5 CABINET MEMBER FOR RESOURCES - QUESTION TIME

The Chairman welcomed Mr John Chilver, Cabinet Member for Resources to the meeting. Mr Chilver gave a brief outline of the priorities and challenges facing the Resources Business Unit, before answering Member's questions. The following main points were noted:

- Resources would continue to build on its previous success of delivering significant budget savings and would champion income generation and commercial mindedness across the Council. Resources had delivered cumulative savings of £20m over the past four years and 25% of their budget was generated through income. Targets had been set to increase this to 33% by 2021.
- A shared services agreement with Harrow for Legal, HR and Organisational Development services had been delivered on time and below projected costs. Cumulatively this project would save the Council £1million per year.
- Digital transformation was a continued priority – the school admissions process was online and Maintain my Street, a road maintenance app had been successfully launched.
- Workforce Development Programme – This aimed to reduce reliance on agency staff and improve the recruitment and onboarding process for new starters.
- The Resources budget was underspent by £1.2million last year, largely due to additional income generated by investment properties which were acquired during the financial year.
- The main risks identified by the portfolio included staff capacity, robustness of the ICT infrastructure, property maintenance costs and possible voids in the investment properties. These risks were regularly monitored at the BU Board meeting each month.
- In response to a question regarding monitoring of targets and actual outcomes at the end of the year, the Cabinet Member explained that the commercial business plan facilitated this. It was agreed that this would be circulated to all Members for information.

Action: Committee & Governance Adviser

- Support services at the County Council accounted for 7 pence in every pound spent, comparing favourably with other local authorities which typically spent 12-14pence. A detailed breakdown of the calculation would be provided to the Committee.

Action: Cabinet Member for Resources

- The number of agency workers had been reduced across the Council. Children's Services had joined with other local authorities in the South East in a Memorandum of Understanding to assist with the recruitment of children's social workers. Recruitment incentive packages were offered to new joiners in some posts.
- The capital budget included money to address the property maintenance backlog and a clear programme of works had been agreed recently at Asset Strategy Board.
- The Capital Budget was £80million per annum. Capital receipts and developer contributions for roads and schools help to maintain this level.

The Chairman thanked Mr Chilver for attending.

6 IS THE COUNTY COUNCIL READY FOR GROWTH?

The Chairman explained that Buckinghamshire would be facing significant housing growth over the next 15 to 20 years, which would have implications for demand for County Council services. Each of the four Select Committees at Bucks County Council would consider what work was being undertaken to plan for Growth at their July meetings. A joint report would then be produced which would be presented to Cabinet.

The Committee would be considering three overarching issues during the meeting – Data, Governance and Finance.

DATA

The Chairman welcomed Mr Marcus Grupp and Mr David Cook, Business Intelligence Business Partners to the meeting. Members received a presentation ‘Understanding demographic change and the impact of housing growth on Council services’ and then had an opportunity to ask questions. The following main points were noted:

- Office of National Statistics (ONS) projections were based on fertility, mortality and migration rates, but did not take into account changes to housing stock. Housing and Economic Data Needs Assessment (HEDNA) projections had been commissioned jointly with the District Councils to assess objective housing need. These projections began with the ONS data and then incorporated other wider data sets showing trends over a ten year period, such as availability of labour, house prices and household projections from Department of Communities and Local Government (DCLG). Accuracy of projections could diminish after the first five year period.
- It was important to know that baseline data was correct before modelling for the future.
- The Business Intelligence (BI) team worked with the Business Units to inform them of key challenges that could arise in future due to the demographic changes and had undertaken focussed pieces of work on key pressure areas.
- The Cabinet Member for Resources reported that he had seen pupil projections used as evidence at Asset Strategy Board for capital funding for Schools and the BI team’s demographic projections were used to inform the Business Planning and Medium Term Financial Planning (MTFP) cycles.
- In response to a question regarding consistent use of data across the Council, Members were advised that there was a drive to establish a corporate data platform. The BI team also presented at Leadership Forums to ensure that Senior Managers were aware of the data projections and Jo Sage, Head of Insight and Business Improvement, managed all the BI team, including those assigned to Business Units and had forged good links with commissioners, to promote evidence based decisions.

GOVERNANCE

The Chairman welcomed Miss Rachel Wileman, Head of Strategic Plan and Infrastructure and Mr Richard Ambrose, Director of Finance and Assets to the meeting. Miss Wileman took Members through a slide which explained the current Governance arrangements for planning for Growth at the County Council, before inviting Member’s questions. During the presentation and in response to subsequent Member questions the following main points were noted:

- The Corporate Management Team (CMT) led the business supported by the Corporate Working Group, which was an officer group, attended by Heads of Service, looking specifically at Growth. The Corporate Working Group met monthly and had done so for the past two years. Originally the Corporate Working Group was set up to respond to consultations but it had evolved into a more strategic group, raising the profile of the Growth agenda and trying to ensure that the Council was proactive rather than reactive. The membership of the Group was currently being revised to reflect this change of emphasis.
- The Growth Board was chaired by the Leader and attended by four Cabinet Members, who set the agenda for the meetings. Miss Wileman acts as the link between the Corporate Working Group and the Growth Board.
- Over the past 6 months CMT had received regular reports on Growth and Neil Gibson, working closely with the Chief Executive was the lead for CMT.
- Miss Wileman explained that the structure worked well. Communication was a challenge. Growth had traditionally been seen as a Transport, Economy & Environment (TEE) issue, but the Corporate Working Group had widened the scope to all Business

Units (BUs). Communities, Health and Adult Social Care and Public Health had a good understanding of the implications of Growth for their services. School Place planning was underway but other areas of Children's Services needed to consider how their services might be impacted.

- With so many large national infrastructure projects in and around Bucks, e.g. HS2, Heathrow expansion, Oxford to Cambridge Expressway, it was important that the Council had a clear position statement. The Corporate Working Group had been developing the Bucks Strategic Infrastructure Plan, which would help to set out the priorities for the County.
- The Assistant Chief Executive's Service (ACES) was proactively supporting the Growth agenda e.g. with BI and Communications but the planning for Growth was driven by Miss Wileman's team in TEE. CMT was now increasingly involved as Growth was a corporate issue.
- In response to a question about working with the District Councils, Miss Wileman commented that Members and officers were working together closely and the Council was supporting all District Councils with the development of their Local Plans. Whilst there was not always full agreement on specific issues, the duty to co-operate was definitely being fulfilled and Miss Wileman assured the Committee that collaboration with the District Councils was as effective as it could be.
- A Bucks Strategic Infrastructure Plan (SIP) was being developed to ensure that the Council had a good understanding of the service pressures that needed to be planned for as a result of the housing led growth, enabling the Council to deliver its strategic outcomes. The Buckinghamshire Thames Valley Local Enterprise Partnership (BTVLEP) had produced a SIP two years ago, which was now being updated.
- The County Council had statutory duties which would be impacted by housing-led growth, such as Highways and Strategic Transport, Minerals and Waste and School Places, therefore it was important that it could influence and shape plans. Over and above these statutory duties, there were other considerations e.g. public health, creating attractive sustainable and accessible places, supporting social infrastructure, which were also important.
- Once agreed the Local Plans could allow for more strategic planning for school places. The current financial plans up to 2022 included £143million to fulfil Primary and Secondary school places, mainly through extending existing schools. Later there might be a requirement for new school sites.
- In addition to planning for services within Buckinghamshire, the Council was also influencing regional and national growth through England's Economic Heartland. This was currently focussing on strategic transport planning, incorporating projects such as East/West Rail and the Oxford to Cambridge Expressway.
- A Member suggested that there should be regular progress reports to County Council on plans for growth, to ensure that all Members were kept informed. The Committee as a whole supported this suggestion.

FINANCE

The Chairman welcomed Mr Richard Ambrose, Director of Finance and Assets and Mr Matthew Strevens, Corporate Finance Business Partner to the meeting. Members received a presentation on 'Future Growth and the Medium Term Financial Plan'. From the presentation and in response to Member's subsequent questions the following main points were noted:

- Mr Ambrose emphasised that it was important for the County Council to understand the implications of the Local Plans to 2033 and to consider the scale of investment that might be needed. This would enable financial gaps to be understood and possible funding opportunities to be identified.
- It was suggested that planning further forward than the usual four year MTFP cycle might be helpful especially in relation to the Capital budget. Mr Ambrose was aware of

one other Local Authority which has a ten year capital vision, which had helped with strategic decisions.

- The move to 100% Business Rate Retention had not been included in the Queens Speech so the introduction of such a scheme would definitely be delayed and could possibly be withdrawn.
- It was recognised that the growth agenda also offered financial opportunities as well as challenges for the Council. In addition to an increased council tax base, Business Units were being encouraged to develop new income streams and Income Generation was included in the MTFP guidance. Work had been done to create a central register of fees and charges and a benchmarking exercise had highlighted areas where some other authorities were charging fees and Buckinghamshire County Council was not.
- All Business Units had scope to generate income although some to a lesser degree than others. Member decisions would have to be made if income generated in one Business Unit had to be redirected to another in order to meet demand.
- Members raised concerns about the costs of infrastructure associated with housing growth, particularly highways. Mr Ambrose explained that developer contributions through S106 and Community Infrastructure Levy (CIL) could be used to fund roads and in addition the Buckinghamshire Thames Valley LEP had been successful in bidding for funding to support highways projects. Central Government had also established a National Productivity Fund and other infrastructure funding which BCC could bid for. Capital receipts might also be used.
- In response to a question about more innovative ways of generating income, Mr Ambrose explained how the acquisition of commercial properties to generate a revenue stream had been successful for the Council. Concern was expressed that some local authorities were over extending themselves in this area, but Mr Ambrose assured the Committee that the Council was committed to carrying out due diligence checks and were supported in this by property consultants, Carter Jonas. The County Council was also actively managing the assets, promoting itself as a responsible landlord and putting 5% of the income generated into a reserve to safeguard against any voids in the future.
- Mr Chilver also commented that the Exchange Street North Car Park had been successful and the Council hoped to develop a car park adjacent to the Winslow station on the new East/West rail line in future. The Energy from Waste plant was also selling electricity back to the National Grid, another example of innovative income generation.
- Buckinghamshire County Council might also look to intervene more proactively in the property market in order to meet the needs of residents, e.g. acting as a developer for the Woodlands site and through the possible development of residential children's homes and care homes in future. The recent comprehensive property review and discussions with partners through the One Public Estate Board would also allow the Council to maximise opportunities from its portfolio, whether through co-location opportunities or capital receipts.

The Chairman thanked all the contributors for attending the meeting and answering the Committee's questions.

7 DATE AND TIME OF NEXT MEETING

Tuesday 26th September 2017 at 10am in Mezzanine Room 1, County Hall, Aylesbury.

8 EXCLUSION OF THE PRESS AND PUBLIC

9 CONFIDENTIAL MINUTES

The confidential minutes of the meeting held on 14th March 2017 were agreed as a correct record.

CHAIRMAN