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

**Date:**   Tuesday 26 March 2019

**Time:**   10.00 am

**Venue:**   Mezzanine Room 1, 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**

**2**   **DECLARATIONS OF INTEREST**
To disclose any Personal or Disclosable Pecuniary Interests

**3**   **MINUTES**                                                                                        5 - 10
To agree the Minutes of the Meeting held on 13th November 2018.

**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 to provide an update to the Committee on recent scrutiny related activity.

**6    CUSTOMER UPDATE**                                                 10:10      11 - 18
To receive an update on progress of Customer Service focussed projects and to gain an insight into preparations for the Unitary Customer and Digital Workstream.

**Contributors:**
**Mr John Chilver, Cabinet Member for Resources**
**Mr Lloyd Jeffries, Director of Customer**
**Miss Kelly Page, Customer Experience Head of Service**

**Papers:**
**Customer Update**

**7    BUSINESS RATES RETENTION - CHANGE**                  10:40      19 - 28
**IMPLICATIONS**
The Committee will review the changes to Business Rates Retention (BRR) and how these will impact on the County Council and small businesses in Buckinghamshire.

**Contributors:**
**Mr John Chilver, Cabinet Member for Resources**
**Mr Richard Ambrose, Director of Finance and Procurement**
**Mr Matthew Strevens, Head of Finance – Corporate**

**Papers:**
**Business Rates Retention report**

**8    BUDGET SCRUTINY 2018 - 12 MONTH PROGRESS**          11:25      29 - 40
**REPORT**
The Committee will examine a progress report on the

implementation of the recommendations from Budget Scrutiny 2018 after 12 months. Members will have the opportunity to question the Cabinet Member and the Director of Finance and Procurement, before discussing and allocating a RAG (Red, Amber, Green) status for the progress of each recommendation.

**Contributors:**
**Mr John Chilver, Cabinet Member for Resources**
**Mr Richard Ambrose, Director of Finance and Procurement**

**Papers:**
**Budget Scrutiny 2018 – 12 month Recommendation Monitoring report**

9      **WORK PROGRAMME UPDATE**                                    **11:45**
Members will receive a verbal update on proposed items for the Select Committee's forward Work Programme.

**Contributors:**
**Mr David Watson, Chairman**
**Mrs Kelly Sutherland, Committee & Governance Manager**

10     **DATE AND TIME OF NEXT MEETING**
Tuesday 18th June 2019 at 10am in Mezzanine Room 1, County Hall, Aylesbury

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     **CONFIDENTIAL MINUTES**                                      **41 - 42**
To agree the Confidential Minutes of the meeting held on 13th November 2018.

**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 Assistant Chief Executive's Service (ACES) and Resources Business Unit. This includes, but not exclusively, responsibility for scrutinising issues in relation to:
- The Strategic Plan and Medium Term Financial Plan

- ACES responsibilities — including Council Communications, Business Intelligence.
- Resources responsibilities - including the Council's Technology Strategy, HR, procurement and Legal services and the strategic commissioning of Council resources.
- 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

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*For further information please contact:* Kelly Sutherland on 01296 383602; Email ksutherland@buckscc.gov.uk

## Members

| | |
|---|---|
| Mr W Bendyshe-Brown | Mr D Martin |
| Mr T Butcher | Mr D Shakespeare OBE |
| Mr A Christensen | Ms J Ward |
| Mr C Clare (VC) | Mr D Watson (C) |

**Buckinghamshire County Council**

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# Minutes

*FINANCE, PERFORMANCE AND
RESOURCES SELECT COMMITTEE*

**MINUTES OF THE FINANCE, PERFORMANCE AND RESOURCES SELECT COMMITTEE HELD ON TUESDAY 13 NOVEMBER 2018, IN COUNTY HALL, AYLESBURY, COMMENCING AT 10.01 AM AND CONCLUDING AT 12.20 PM.**

**MEMBERS PRESENT**

Bill Bendyshe-Brown, Timothy Butcher, David Martin, David Shakespeare OBE, Julie Ward and David Watson (Chairman)

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

Apologies were received from Mr C Clare. The Chairman advised that the Committee currently had a vacancy and thanked Mr Martin Farrow for his valuable contribution to the Committee.

**2      DECLARATIONS OF INTEREST**

There were none.

**3      MINUTES**

The minutes of the meeting held on 11th September 2018 were agreed as a correct record, subject to the following amendment – An additional bullet point added to the Children's Services section on p 4 of the minutes to read: 'It was noted that the budget for Looked After Children had been set at £21.9m and the legal budget was £2m.'

**4      PUBLIC QUESTIONS**

There were none.

**5      CHAIRMAN'S REPORT**

The Chairman reported that a small Inquiry Group had held a useful meeting with Human Resources and he asked the Members involved to feedback on the notes of the meeting by 11th December.

Members were also advised that the Chairman had met with Richard Ambrose in preparation for the Budget Scrutiny Inquiry. In addition, the Chairman had recently been asked to provide his views on a possible Investment acquisition.

## 6 DRAFT CAPITAL AND INVESTMENT STRATEGY - OVERVIEW

The Chairman welcomed Mr John Chilver, Cabinet Member for Resources, Mr Richard Ambrose, Director of Finance and Procurement, Mr Mark Preston, Head of Finance – Resources and Pensions and Mr John Reed, Director of Property and Assets to the meeting.

The Cabinet Member explained that the new Capital and Investment Strategy had been drafted in response to new guidance from Government and would bring together three separate elements - Capital strategy, Investment strategy and some aspects of the Treasury Management strategy. This would also increase transparency.

*10.10am Ms Sarah Ashmead, Executive Director for Resources joined the meeting.*

Mark Preston provided an overview of how the strategy had been developed and key themes. During the presentation and in response to Members' questions the following main points were noted:

- This was a high level strategy that would be underpinned by other detailed plans, as outlined in P1.5. It would also demonstrate how the capital programme aligned with the Council's overall strategic aims.
- Members had a number of specific questions on the Council's Investment portfolio. The Strategy stated that the Council 'should aim to have an investment portfolio in the region of £250m.' Members were advised that this figure had been reached in order to ensure a fully diversified portfolio of investments and partly in relation to anticipated revenue pressures that the Council could have in future – i.e. a £250m portfolio should produce £15m gross income per annum, based on a 6% net yield. The suggested £250m level had also been proposed based on discussions with the Council's property advisers, Carter Jonas.
- This figure was a target, which would clearly depend on opportunities which become available, but it would allow for diversification of the portfolio and one of the key performance indicators would be the value of rent generated towards the net budget. The £250m figure would be reviewed regularly - £150m was seen as the minimum requirement.
- A Member asked if the strategy would need to be amended in light of the recent Unitary announcement for Buckinghamshire. The Director of Finance and Procurement advised that a strategy needed to be agreed by the Council and a new Unitary authority would have to agree it's own strategy once it had been established. Currently the governance arrangements for transition were still to be agreed.
- The Director of Property and Assets explained that he might need to add additional asset management resource to his team, but it would depend on the scale and nature of the assets the Council acquired. It was important to track changes in yield and capital value regularly in order to maximise the return.

- Members noted that a new governance structure had been introduced, including a Property Board which would receive regular reports on the performance of the investment portfolio and would produce an annual report.
- Members sought assurances around the due diligence process and expressed concerns about the possibility of being over-exposed in retail, given the recent downturn in this sector. The Committee heard that due diligence was critical and the Council has professional advisers and in John Reed, the new Director of Property and Assets, in-house expertise in commercial investment.  John Reed agreed with Members concerns about the retail sector and agreed that due diligence was vital, especially as the market was continually evolving.
- The Cabinet Member for Resources assured members that the due diligence process was not short-circuited and there had been some investment opportunities which had been missed because of the Council's adherence to following this process. All acquisitions were looked at on their own merit (as well as the fit with the rest of the portfolio) and potential for alternative use was always considered.
- The Chairman requested that the strategy should use the term 'average yield per annum' rather than 'blended yield' as this was more understandable and transparent for the public.  The Director of Finance and Procurement also agreed to strengthen the risk management element.

**Action: Director of Finance & Procurement**

- In response to a Member's question regarding the financing of acquisitions, the Director of Finance and Procurement explained that the general policy would be to take a fixed rate loan and try to match this to the asset length, although it was important to ensure that all loans would not be due to mature at the same time.  The Local Government Association (LGA) was hoping to issue bonds in the near future at a cheaper rate than the Public Works Loan Board (PWLB) and a Member asked if this have been investigated.  Members were advised that this had previously been considered but the joint severance & liability was a concern.  Also the terms of the bonds were very rigid and, to date, the LGA had not issued its first bond.  This would be reviewed again once a bond had been issued.
- The Executive Director, Resources advised Members that whilst the formal governance arrangements with the Property Board were established, the Council needed to be able to move quickly in response to investment property opportunities and a process was in place to enable this.  The due diligence process would take place between bids and the final offer and the Council had a strong reputation for following through on opportunities.  The Executive Director offered to share reports from each of the new Boards which had superseded the Asset Strategy Board with the Select Committee, alongside the Annual Investment report.

**ACTION: Executive Director, Resources**

- Members requested a further amendment to wording in p5.3.4, asking that 'preference' be added with regards to properties which could have alternative uses, instead of 'weight will be given'.  Members also queried whether the strategy should be more specific about stating which sectors the Council would choose to invest in.  However given this was a high level strategy, the Director of Finance and Procurement

commented that it was better to be flexible and the strategy did state that the aim was to have a balanced portfolio.

**ACTION: Director of Finance & Procurement**

The Chairman thanked John Chilver, Richard Ambrose, Mark Preston, John Reed and Sarah Ashmead for attending the meeting. It was noted that the revisions suggested by the Committee would be made ahead of the draft strategy being considered at Cabinet in December. The final strategy would then be agreed by Council in February alongside the Budget for 2019/20.

## 7    BUDGET SCRUTINY 2019 - SCOPE

Mrs Kelly Sutherland, Committee and Governance Manager provided an overview of the scoping document for Members and reminded them of the key dates for the Inquiry. Sessions with individual Cabinet Members would be held in public on 8th, 9th and 10th January 2019 and as in previous years, members of the public would be invited to submit their own questions via email or social media.

A Member asked if the approach to Budget Scrutiny would be changed in the light of the recent Unitary announcement. The Director of Finance and Procurement confirmed that the County Council's budget was still focussed on delivering business as usual for 2019-20, as the new Unitary Authority would not be fully operational until April 2020. Transition costs would have to be considered, but until the governance structure had been agreed and a financial work stream was underway, it would be difficult to predict these accurately.

Other potential changes such as the Fairer Funding Review and Business Rates Retention would also need to be factored in.

## 8    COMMITTEE WORK PROGRAMME

The Committee noted the forward Work Programme.

## 9    NEW TECHNOLOGY STRATEGY - SMARTER BUCKS

The Chairman welcomed Mr John Chilver, Cabinet Member for Resources, Ms Sarah Ashmead, Executive Director, Resources, Ms Balvinder Heran, Joint Strategic Director, Information Assets and Digital Development, Mr Tony Ellis, Chief Information Officer and Mr Ben Unsworth, Head of Digital to the meeting.

The Cabinet Member for Resources explained that the new Smart Bucks Strategy was a refreshed technology strategy for 2018-2020 and he was very happy that a full leadership team was now in place to deliver it.

Ms Heran provided an overview of the main themes of the strategy. During the presentation and in response to subsequent Member questions the following main points were noted:

- This two year strategy build on the success of the previous one and the priority remained improving public access for residents and progressing with digital services.
- Ms Heran's post worked jointly across the Integrated Care System (ICS) i.e. Health and the County Council, due to its social care responsibilities. Her aspiration was for residents to be able to use one account to access both Council and Health services. This would be supported by a single network which would be accessible to staff at the Council, in Health and in the voluntary sector and the right infrastructure to improve mobile working, with staff equipped with the equipment which was most appropriate for their job role. This would also require training to be delivered to upskill staff.
- All ICT contracts were being reviewed to ensure value for money and to investigate collaboration with suppliers who could support the aspiration to integrate. There would also be opportunities to achieve economies of scale through contracting jointly with Health, for example, for mobile phone contracts.
- Members were reassured that whilst the ICT leadership team were all relatively new in post they had all reviewed the strategy which had already been developed. After some changes, they were happy to endorse and deliver it. Figures for capital investment for ICT were being reviewed in light of the strategy and the new ICT and Digital Board, chaired by the Cabinet Member for Resources would oversee the delivery.
- The Strategy would be supported by a mixed economy, using the cloud in some circumstances but also retaining a data centre. Software was being reviewed to identify duplication and what might need replacing. The Chief Information Officer explained that he was working closely with partners such as Microsoft to ensure a robust approach and he had looked at best practice elsewhere to help inform choices for the future.
- A Member praised the challenging vision of the ICT Leadership team but questioned whether the Council was capable of delivering it, especially as there had been a number of recent issues with network access for staff. In response, Ms Heran commented that it was vital that ICT was fast, reliable and resilient for both staff and residents. The focus of the current ICT Improvement Plan was to tackle the limitations of the legacy environment, by replacing hardware and the ICT and Digital Board would provide strong governance around the management of new ICT projects.
- Members asked about the impact of the recent Unitary announcement, which could result in additional systems currently used by district councils having to be reconciled with systems used at county level. Ms Ashmead, Executive Director for Resources advised the Committee that until the new governance arrangements for the transition to Unitary were agreed it was difficult to plan, but it was anticipated that an IT workstream would be an urgent consideration.

The Chairman thanked all contributors for attending the meeting and it was noted that Ms Heran was willing to provide a further update to Committee in future if required.

## 10    DATE AND TIME OF NEXT MEETING

There will be a private briefing for Members on the Budget on 11th December 2018 at 10am in Mezzanine Room 1.

The Committee would next meet in public for the Budget Scrutiny Inquiry on 8th, 9th and 10th January 2019 at 10am in Mezzanine Room 1, County Hall, Aylesbury.

## 11    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)**

## 12    PRIVATE SESSION - CYBER SECURITY

**CHAIRMAN**

# Customer Update
## *FPR Select Committee*

## March 2019

**Lloyd Jeffries - Director of Customer**

**Author: Kelly Page – Head of Customer Experience**

### Introduction

In July 2018, the customer directorate provided an overview of a programme of work to inform members and ensure customer needs were being considered and met. This paper provides an update on all projects, current performance and provides an overview of the Customer and Digital workstream for Unitary.

Since the last update, the Customer directorate has seen some changes in the structure - the customer experience and digital team have been aligned with the Customer Service Centre under one manager Kelly Page. This update incorporates the Customer Service Centre and all operational aspects of our digital estate.

### National Customer Service Week (NCSW) October 2018

During NCSW, a series of events took place to engage staff and reinforce a culture of accountability. The first ever online customer experience training was launched; to date over 550 officers have completed the online modules. The week provided the opportunity for officers and members to meet and engage with members of the public and discuss our digital offering. This was valuable in capturing insight into the expectations our customers have when contacting us.

Several other events took place, Metro Bank inspired officers with their approach to customer services, taking the very traditional sector of banking and introducing a more retail approach to their delivery model. Workshops to engage officers in digital design and delivering the service standards took place with high attendance and great feedback.

### Customer Service Centre (CSC)

After a period of difficulty for the Customer Service Centre, due to significant reduction in budgets, performance is on target and improving continually. The average resolution at the first point of contact is currently at 69%

This is attributed to

- Improved recruitment and new starter process
- Increased quality monitoring

- ➢ Regular coaching and training
- ➢ Closer working arrangements with service areas in order to better brief staff
- ➢ More collaboration with the digital team to deliver better digital processes

**Performance**

Calls answered in under 29 seconds has improved from 40% in March 2018 to 64% in February 2019

The average queue time has reduced and is currently at an average of 41 seconds – in September 2018 this peaked to a 188 second average wait time

In August 2018, webchat was deployed on all BCC webpages and these are routed to specialists in the CSC (with the exception of Admissions)
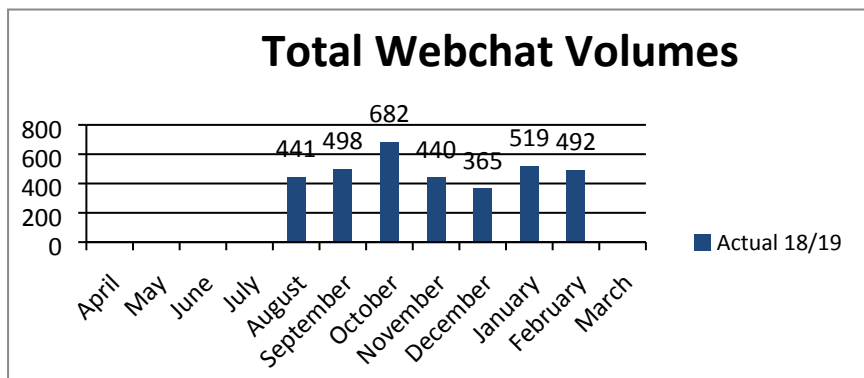


Work to introduce a contact us form to replace a generic Transport for Bucks email address has shown significant improvements. Replacing with a form that is intuitive enough to direct customers to self-service options and ensuring all information is captured has led to a dramatic drop in contact.
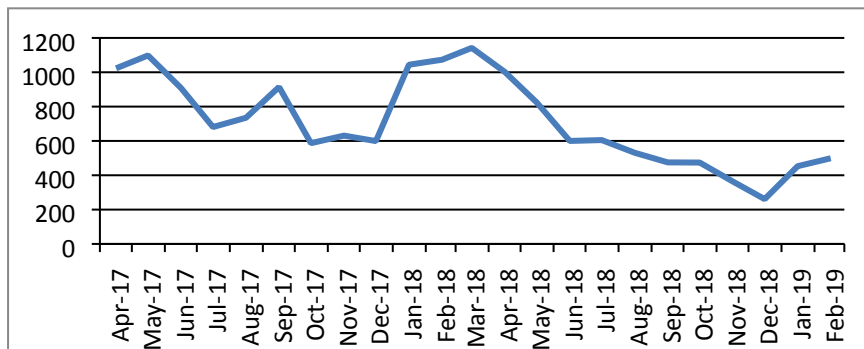


In October 2018, the CSC began taking the contact for concessionary bus passes and has taken over 2,500 calls since then with a 98% answer rate.

December 2018 saw the addition of a new priority line into the CSC to provide direct support for Parish and Town Councils. Usage continues to be monitored in terms of call volumes received and the enquiry types offered.

The CSC has been working collaboratively with CHASC to improve customer experience by:

➢ Delivering targeted training to customer service agents to increase first call resolution
➢ Holding workshops to identify additional self-serve opportunities

The Customer Service Centre has recently incorporated Social Media into a channel for customers. Previously any comments or queries left on our corporate accounts were picked up by a member of staff in the communications team; these are now managed by advisors and captured on our Customer Relationship Management tool.

## Digital

BCC use Firmstep as our customer account and self-service provision. In March 2018, we recruited additional resource to accelerate the number of transactions customers can access online.

We have grown our usage of My Account from 47,000 customer accounts in May 2018 to 59,000. In the year we have also added an additional 46 customer forms taking the total to 126. Since March 2018 over 150,000 customers have accessed and used our online forms. We measure the satisfaction of these and 91% of customers have rated the forms 4 or 5 stars.

## Brilliant at the basics

Brilliant at the Basics is a programme of work that aims to strengthen our existing technology, reduce the number of microsites that have been created by the business, reduce costs and protect the Councils reputation alongside enhancing the customer experience.

In March 2018, we designed the programme of work for B@B in order to achieve our ambition of creating a digital front door to the organisation, we needed to truly excel at the basics, creating a platform that our customers can interact with us 24 hours a day 7 days a week

Visits to our website continue to increase dramatically, with over 2.5 million visits to our website since March 2018. Measuring our web performance, helps us to focus on improving and identifying the areas that we need focus on, in order to reach our objective of providing a website that is accessible for all of our users, designed as mobile-first and passes the Local Government Digital Service Standard.

We measure our web performance in the following areas:

- **Digital Certainty Index** - measures the quality and potential impact of the BCC website's digital presence, including its accessibility and usability.

- **Quality Assurance** – measures the credibility and usability of the user-facing aspects of the website such as content quality, freshness, security and the user experience.

- **Search Engine Optimisation** – measures how well the technical elements of the site enable it to be accessed, crawled and indexed by search engines and how well the content is optimised for users and search engines
    .

- **Accessibility –** measures the extent that our website is inclusive so that all users have equal access to information and functionality.

- **Readability –** measures the extent that our webpages meet a reading age 15 and below to ensure that our messages are simple to read and easy to understand.

## Our performance

In the 12 months since March 2018, we have improved our rating in all areas of performance and are above the industry benchmark for each indicator except accessibility.

| Performance Indicator | Mar-18 | | Mar-19 | | BCC 12 month change | Direction |
|---|---|---|---|---|---|---|
| | BCC | Industry benchmark | BCC | Industry benchmark | | |
| Digital Certainty Index | 79.5% | 78.4% | 83.5% | 77.9% | *4.0%* | ⬆ |
| Quality Assurance | 98.1% | 86.9% | 99.0% | 85.3% | *0.9%* | ⬆ |
| Seach Engine Optimisation | 78.1% | 77.8% | 86.2% | 78.0% | *8.1%* | ⬆ |
| Accessibility | 61.4% | 70.0% | 65.9% | 70.7% | *4.5%* | ⬆ |
| Readability | 4.0% | | 54.0% | | *50.0%* | ⬆ |

To further improve our accessibility score and to exceed the industry benchmark, we have:

- Identified areas for improvement and have a number of fixes ready for deployment in March 2019.  These updates will take the accessibility score to **75%**
- Inserted alternative text to all images on the BCC site, which tells viewers the nature or content of an image.

## SOCITM rating

In August 2018, SOCITM rated our website as 3* (4* is the maximum).  Accessibility was identified as an area of improvement in order to achieve a 4* star rating.

The inclusion of alternative text and other fixes has improved accessibility to meet the target of 8/10, meaning the site would now achieve our target of a 4* rating (SOCITM no longer provide ratings for Council websites).

## Website Functionality

We have worked with stakeholders and customers to develop a more visual website that services can use to promote their areas.  We held a digital engagement day in County Hall where we presented various options for the website and asked officers and members to feed in their ideas.

We also attended the County Show and spoke to many customers about what they liked and disliked about our website. Based on the feedback received, we have now launched new look and feel campaign pages.

Below is an example of the new Fostering pages that can now incorporate video and improved design layouts.
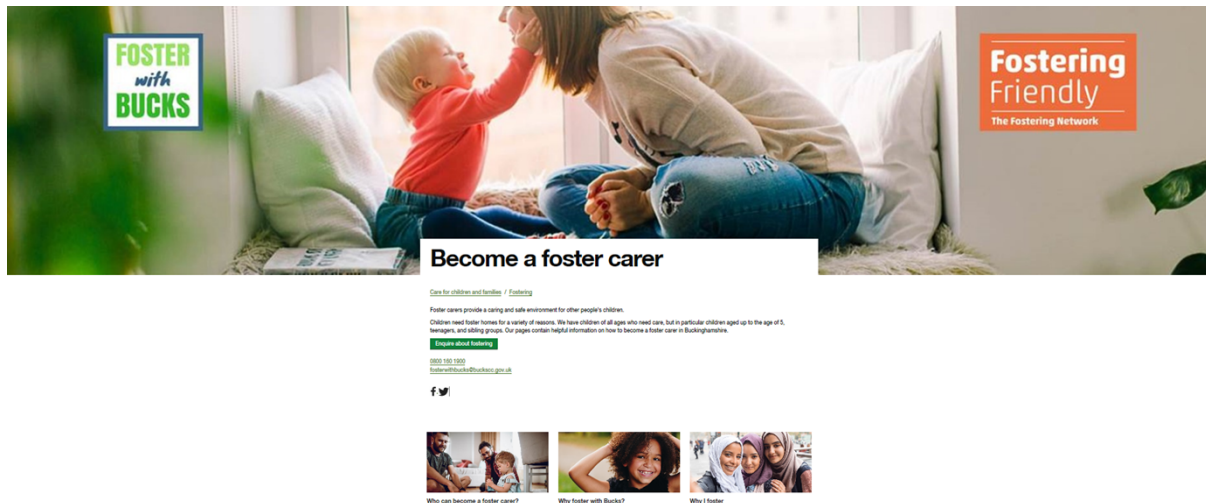


We have produced new microsite and campaign templates and are working with 20 areas to migrate their existing content from older unsupported platforms onto the main BCC site.

Since our last update in March 2018 we have:

- Launched 5 new sites (Country Parks, Weddings, Unitary Jobs, Recycle for Buckinghamshire, Integrated Care) There are 5 more in progress (Kids in Care, Environmental Records, Safeguarding Adults, Teachers Careers, School Travel Planning)
- Delivered 2 Campaign pages (Fostering, Better you) 1 in progress (Adoption)
- shut down/migrated to BCC site (Biodiversity, Archaeology, BucksLaw), 1 in progress (Floodsmart)

**Customer Effort Score**

Customer Effort Score (CES) is a customer satisfaction metric which measures the ease of access to Council services.

In July 2018, we inserted feedback options to every page on the website, which gives users the opportunity to rate how helpful a page is on a scale of "Very Poor" to "Very Good".

## Was this page helpful?

★ ★ ★ ★ ★

Very poor | Poor | Neither good nor poor | Good | Very good

★ ★ ★ ★ ★

### Awesome, thanks for letting us know!

If you have time please tell us what went well so that we can improve other areas

**Our current performance**

When CES is calculated, the rating is based on a scale of 1-5, with 1 being very high effort and 5 being very low effort.

| Performance Indicator | Jul-18 | Feb-19 | Change | Direction |
|---|---|---|---|---|
| CES | 2.76 | 2.89 | 5% | ⬆ |

The ease of accessing services on the BCC website is improving. We review feedback received on a daily basis and identify where improvement can be made.

To date, we have received **13,646** star ratings and **2,852** individual comments.

Here are a few examples of feedback received and the action that we have taken to reduce the effort required to access services and information.

| Webpage | Feedback | Action |
|---|---|---|
| Collections webpage | *"I find this information totally irrelevant to my problem about bin collection."* | Added recommended link to 'Bin collection and council tax' page using the keyword 'collection' |
| Potholes webpage | *"How do I claim for a new wheel? It was punctured by a large pothole"* | Added related link to claim for damage page |
| Schools navigation page | *"I'm looking for a list of secondary schools in bucks. I cannot find one"* | Added link to School Directory in the 'Schools' navigation. |

## Unitary

The creation of a new Unitary authority represents a significant opportunity to transform services for our customers. A key part of this transformation will be designing digital experiences that are fit for the 21st century, experiences that meet the needs and expectations of our customers.  County and District officers are currently working together to develop proposals for the future customer service model and these will be presented to the Shadow Executive for consideration once it is established.

## What's next?

**National Customer Service Week 2019** – we aim to continue to build on the success of the week long initiative and planning is beginning earlier this year, a working group is currently being formed to represent all areas that will debate the key themes and ensure high engagement. This will also provide an opportunity for the Unitary working group to showcase their work and use the event to engage across all current authorities**.**

**Redefining performance –** The Customer Service Centre was launched in 2005 with a set of Key Performance Indicators. In the last 14 years we know the way customers interact with us has significantly changed and their expectations are hugely different.  We will review these indicators and ensure they are measuring the right things for our customers and creating the right culture in our front line staff.

**Customer insight** – Building on the success of the Customer Effort score we will introduce a similar survey across all of our other channels in order to embed continuous improvement, this will begin with a telephony survey.

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

# Report to the Finance, Performance and Resources Select Committee

| | |
|---|---|
| **Title:** | Business Rates Retention - Change Implications |
| **Committee date:** | Tuesday 26 March 2019 |
| **Author:** | Richard Ambrose – Director of Finance & Procurement |
| **Contact officer:** | Matt Strevens, 01296 383181, mastrevens@buckscc.gov.uk |
| **Cabinet Member sign-off:** | John Chilver – Cabinet Member for Resources |

## Purpose of Agenda Item

This report is for information, and is intended to inform the committee of the current operation, and upcoming changes to Business Rates Retention. Business Rates is a key funding stream all local authorities. Within the report the place of Business Rates within the wider system of Local Government funding will be discussed, along with the risks and uncertainties relating to the future of Business Rates Retention.

## Background

Business Rates are property-based tax paid on non-domestic properties. Properties are independently valued by the Valuation Office Agency (VOA) and Business Rates charged on this basis. Billing and collection of Business Rates is undertaken by District and Unitary Councils.

The current Local Government Business Rates Retention scheme was introduced in 2013-14, and forms part of the wider Local Government funding settlement. As such it is not practical to consider Business Rates Retention separately from the wider funding system within which the policy operates.

There are 3 key points to be aware of in relation to Business Rates Retention system;

- The total funding available to Local Government is set through Spending Reviews and allocated through the Local Government Settlement on the basis of 'relative need'. Locally retained Business Rates are a part of this funding of 'relative needs';
- Baselines for local shares of Business Rates were set when the system was introduced, and have not been revised since. This allows some local growth to be retained locally;
- The whole system of funding Local Government is under review, including Business Rates and new methodologies will directly impact the level of funding received by Local Authorities  through various funding streams, including Business Rates.

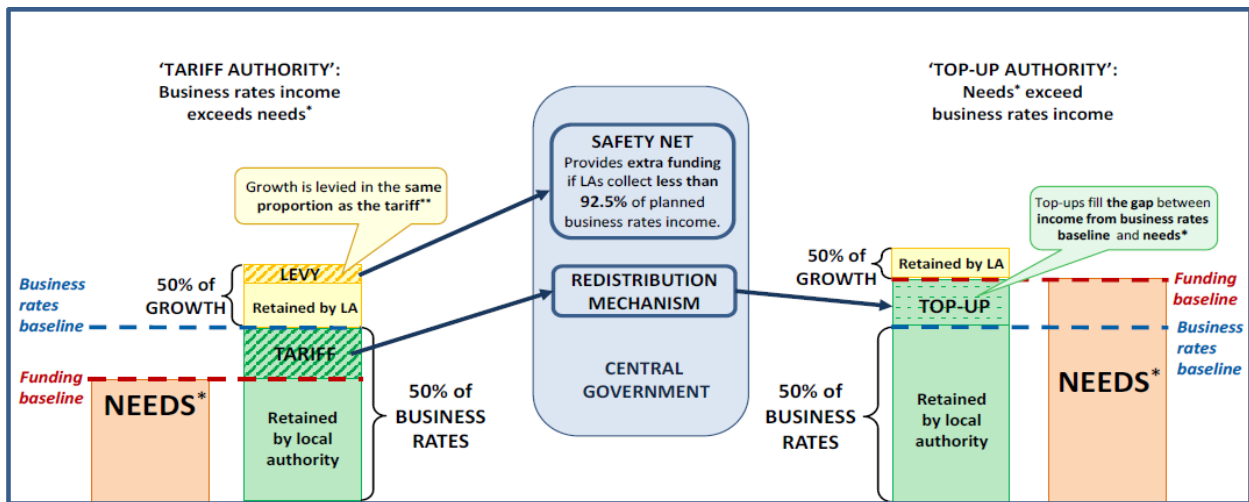The current Business Rates Retention system

At the point of implementation a 'Business Rates baseline' was calculated for each authority based on actual 2011/12 and 2012/13 Business Rate receipts. Of this baseline value 50% was returned to Central Government, and the other 50% was split between District and County Councils and the Fire and Rescue Service, with 40% retained by Districts, **9% by County Councils** and 1% by Fire and Rescue. This split was used to calculate the 'Business Rates Baseline' for all authorities.

In 2013/14 an initial 'Settlement Funding Allocation' was calculated for each Local Authority based on the 'relative need' formula calculations at that time. This mechanism distributes the quantum of funding agreed in Comprehensive Spending Reviews on the basis of 'relative need', and will only provide full funding for the levels of need calculated if the amount agreed in the Spending Review is sufficient for this purpose. This 'Settlement Funding Allocation' was funded by both 'Revenue Support Grant' (RSG) and locally Retained Business Rates.

The proportion of the 'Settlement Funding Allocation' funded by Business Rates is known as the 'baseline funding level'. If the 'Business Rates Baseline' (the authorities share of the baseline Business Rates receipts) is greater than the 'baseline funding level' (the funding requirement from Business Rates) an authority has to pay a 'tariff' to Central Government to reduce receipts retained to the level of the 'baseline funding level'. Where the 'Business Rates Baseline' is less than the 'baseline funding level' the Government pays a 'Top-up Grant' to the authority to ensure funding is received to the value of the 'baseline funding level'.

The diagram below shows the operation of Business Rates Retention for both 'tariff' and 'top-up' authorities, and the interaction with Central Government;

**'TARIFF AUTHORITY':** Business rates income exceeds needs*

Growth is levied in the same proportion as the tariff**

**SAFETY NET** Provides extra funding if LAs collect less than 92.5% of planned business rates income.

**REDISTRIBUTION MECHANISM**

**CENTRAL GOVERNMENT**

**'TOP-UP AUTHORITY':** Needs* exceed business rates income

Top-ups fill **the gap between income from business rates baseline** and needs*

Business rates baseline

Funding baseline

50% of GROWTH

**LEVY**

Retained by LA

**TARIFF**

**NEEDS***

Retained by local authority

50% of BUSINESS RATES

50% of BUSINESS RATES

50% of GROWTH

Retained by LA

**TOP-UP**

Retained by local authority

**NEEDS***

Funding baseline

Business rates baseline

## Risk and reward within the Business Rates Retention system

Business Rates income is not a fixed annual amount. As businesses move between areas, expand, build new properties, convert existing properties to business usage, or potentially fail and leave empty properties the amount of Business Rates billed and collected locally will change. The scheme was designed to both incentivise Business Rates Growth and protect against significant losses in Business Rates income.

Local Authorities can retain up to 50% of 'additional revenue' generated through growth, with the balance paid to Central Government in the form of a 'levy' payment. Tariff authorities are subject to a levy on their share of growth, which is in proportion to their tariff, whilst top-up authorities are not subject to a levy on retained growth. The receipts from these levies on growth are then used to fund a 'safety net' for any authorities whose Business Rates receipts fall below 92.5% of their 'baseline funding level'.

As part of the Local Government Settlement 'baseline funding levels' and Business Rates payable are increased by the Retail Prices Index (RPI) each year. In 2020-21 this inflation uplift will change to the Consumer Prices Index (CPI).

In order to recognise that not all business properties can easily be identified to a single billing authority there are both 'local lists', which contain all the business properties easily identifiable to a particular billing authority, and a 'central list' which includes geographically distributed properties and assets (often, but not exclusively, networks covering a significant geography such as Electricity distribution networks, telecoms infrastructure, large pipelines etc.). Business Rates from this 'central list' are billed and the income retained by Central Government.

It should be noted that risk profiles for authorities differ on the basis of the make-up of the businesses operating within their boundaries. In authorities where there are a small number of very significant business, which might reflect more than 10% of Business Rates receipts, the failure or relocation of one such business could trigger the safety net in its own right. For authorities without such sizeable rate payers this risk is far lower, and would require significant economic events to receipts sufficiently to trigger the safety net.

Business Rate pools

Business Rate pools are a mechanism which allow the pooling of risk and reward across geographies. By creating a pool, a number of authorities can essentially be treated as a single authority for the purposes of Tariffs, top-ups and levies. In practice pools have largely been used to maximise the local retention of growth, where a number of authorities subject to levies on growth pool with a top-up authority to reduce the levy rate.

In Buckinghamshire there has been a pool in recent years between the County Council, the Fire and Rescue Service, Aylesbury Vale, Chiltern and South Bucks District Councils, with the County Council being the most significant top-up authority. The combined effect of this pool was to reduce the levy rate on growth on District Council shares from 50% to 8%. This resulted in a reduction in levies paid to Central Government across the pool, and this gain was shared on an agreed basis across the participants in the pool.

The future of Business Rates retention in Local Government

In 2015 it was announced that Local Government would collectively retain 100% of business rates by the end of the parliament. This would include the removal of Revenue Support Grant and Public health Grant, and their inclusion in the Business Rates Retention scheme. This further retention of Business Rates would not be additional resource to Local Government, rather there would be additional responsibilities transferred to Local Government which would match the additional funding available from the additional locally retained Business Rates.

Following this it was announced in February 2016 that a 'Fair Funding Review' would be undertaken to revise the mechanism through which 'relative need', and hence future 'baseline funding levels' are calculated.

In the Local Government Finance Settlement 2018/19 it was announced that the government aimed to implement 'at least 75%' Business Rates Retention by 2020-21, a year later than originally planned. Fundamental to this remained the transfer of other grants,

including Revenue Support Grant, and additional responsibilities, which would be funded by the additional retained Business Rates.

There has been much debate as to which responsibilities are best suited to funding from Business Rates, as it would be perverse for any responsibility where demand increased in times of economic downturn to be funded from an income source which reduced at such times. At present it appears that finding appropriate responsibilities to be funded from Business rates is the most significant reason why ambitions have been scaled back from 100% retention to 75%. It is suggested that transferring Revenue Support Grant into Business Rates Retention almost achieves 75% in its own right.

There are currently a number of ongoing trials of both 75% and 100% Business Rate retention. The outcomes of these trials are being used to inform the design of the future Business Rates Retention system.

One of the design principles of the initial scheme, which has been retained under the proposals being developed for 75% Business Rates Retention is that there will be a full reset of baselines in 2020-21. The mechanism for this is currently under discussion and consultation across the sector. However it is likely that a full reset this will see all growth retained to date removed from individual authorities and redistributed on the basis of 'relative need' when revised baselines are set.

The mechanism for calculating Business Rate growth is complex, as growth could be significant but then be reduced by factors beyond the authority's control, such as revaluations or the loss of significant businesses. Options are currently being explored to ensure that growth is suitably calculated and rewarded.

Additionally there are discussions as to how resets should work in future, with full and partial reset being considered. The challenge with full resets is that there is an incentive to deliver growth just after a reset as it will be retained for the maximum time until the next reset. There is little incentive to deliver growth in the year preceding a reset as only one year benefit will be retained.

Partial resets are under consideration, which would see some growth retained beyond a reset. These partially address the issues of there being more and less advantageous times for growth, but do not fully recycle national levels of growth into the funding system.

The period of these resets is also a matter for discussion and agreement. The more frequent they are the less growth will be retained before it is redistributed through a reset. Alternatively the longer the period between resets the greater the divergence between real need, assessed 'relative need' and retained business rates. As such if an authority experiences a greater growth in demand than in Retained Business Rates it could be left unable to fund essential services to its residents for a significant period, and then

experience a sudden jump in funding at the reset when 'relative need' and 'baseline funding' are realigned.

In addition there are some authorities, who by their very nature have significantly more opportunity to grow business rates than others. For example, the City of London is inherently attractive to businesses for its international profile, whilst rural Cornwall has a different appeal, and different infrastructure challenges in attracting businesses. We do not believe that Buckinghamshire is an outlier in this sense, however local opportunities and challenges need to be fully understood

As part of the proposed change, the splits between tiers of local government are under review. Currently upper tier authorities (without Fire) retain 9% of the total growth in business rates, whilst District Councils retain 40%. With the transfer of additional responsibilities, the understanding gathered through 6 years of operating the current policy, and the output of the various Rate Retention trials a new split is being sought. Counties have long argued that growth in local businesses places additional burdens on the infrastructure they are responsible for providing, and that the current splits do not reflect this new burden. Since the new Buckinghamshire Unitary Council will be in place when this reform comes into operation tier splits will no longer be a relevant concern.

As an authority we are actively engaged with discussions and developments of the new methodologies. We have represented our views through our MP's, in our own responses to Government consultations and through representative group such as the Society of County Treasurers and the LGA.  We share similar concerns to our other County Colleagues, especially with the relationship between demand growth in statutory services and the potential for growth in Business Rates receipts. We will continue to be engaged in this process to deliver the best outcomes for Buckinghamshire are fully represented.

The Business Rates Retention position for Buckinghamshire

The initial calculation of Business rates to be retained within the County of Buckinghamshire saw both the County Council and Bucks Fire and Rescue falling into the category of 'top-up' authorities, and all District Councils falling into the category of 'tariff' authorities. The table below shows each authorities 'Business Rates baseline' and the value of Tariff / top-up at the inception of the scheme.

| Authority | Business Rates Baseline £m's | (Tariff) / Top-up £m's |
|---|---|---|
| Buckinghamshire | 14.644 | 24.237 |
| Aylesbury Vale | 18.901 | -15.422 |
| Chiltern | 7.908 | -6.603 |
| South Bucks | 11.477 | -10.511 |
| Wycombe | 26.799 | -23.875 |
| Buckinghamshire Fire | 2.999 | 1.496 |
| TOTAL | 82.728 | -30.678 |

Overall £56.4m of the 50% of Business Rates from the Buckinghamshire 'local share' were returned to Central Government through 'tariffs' on the District Councils, and £25.7m of this was then returned through 'top-up grants' to the County Council and the Fire and Rescue Service, resulting in a net £30.7m of the 50% local share returning to Central Government as part of the design of the system.

Over the period since the implementation of the current Business Rates Retention model there has be some growth in Business Rates in Buckinghamshire. The pooling arrangements discussed above were implemented in 2017/18 and 2018/19, and have delivered additional retained growth of approximately £500kfor the County Council in each of these years through the reduction of levies on growth for the 'tariff' authorities.

In 2019-20 all authorities in Buckinghamshire are piloting 75% Business Rates Retention. As previously stated this gives a modelled financial benefit of approximately £7.0m in 2019-20, shared across the councils involved. This benefit is being used to ensure sustainability and to support future economic growth. As it is only a one-off benefit it is difficult to make significant impact in supporting service sustainability given the ongoing service demand and cost pressures experienced across Social Care services. A significant proportion of the County Council gain is being put into a specific reserve to cover Unitary transitional costs.

Looking forward, there will be a new Unitary authority for Buckinghamshire in 2020, therefore there will be no tier split under the new arrangements. This will simplify the system locally and mean that all growth is retained by the new authority, and decisions on the use of any gains will be made at a county-wide level. However this simplification will not increase the financial benefit beyond that already delivered through pooling, and will not provide any mitigation of the risks described below.

Risks and uncertainties

As identified above, there are a number of significant uncertainties around the whole of the Local Government funding system, and to focus on Business Rates alone would underplay some of the larger risks in this arena.

Focussing solely on Business Rates Retention, there will be a benefit from an increased level of local growth being retained locally; however there are risks in relation to likely future growth levels. The biggest current risk is the reset of baselines, which will see accumulated growth returned and redistributed through the top-up and tariff mechanism. This is due to be implemented in 2020. The new mechanism of rewarding growth has yet to be defined, however there are concerns that this mechanism may be retrospective, and see receipt of the benefit of growth delayed by 1 or potentially 2 years. Added to this is uncertainty regarding the periods between baseline resets. Longer periods mean that locally generated growth is retained for longer, but shorted means that those authorities whose growth has been shower than their increase in need will have to wait longer for this to be rebalanced.

Allied to this is the likelihood of growth given current economic factors. Primary within this are the impacts of Brexit, which could see an economic slowdown, and significantly lower business growth levels, reduced inward investment, or even a reduction in Business Rates receipts, which may trigger the safety net for some authorities.

Additionally we are currently witnessing a national slow-down on the High Street, and a move to more online businesses. These online businesses often have small or no business premises, and hence do not pay Business Rates. This shift presents a risk to future growth levels in Business Rates. This is especially pertinent at a time when both local and national investment in Broadband is making it easier for online businesses to operate from any location.

Proposals for a safety net under the revised Business Rates retention systems are under development, so this risk will be mitigated to some extent, however reductions to resources at a time when need is increasing may require difficult decisions to be made.

Considering the wider funding system in which Business Rates Retention sits, there are significant uncertainties which will come into effect from April 2020, namely;

- The Spending Review 2019, which will define the total resource level available for distribution through the relative needs formula, and which will then impact on tariffs and top-ups;
- The Fair Funding Review, which will redefine and recalculate the assessment of 'relative need' for all authorities in England, and will also impact on tariff and top-ups;

- Any transitional arrangements to mitigate shocks to the funding system are currently unclear. Whilst our financial planning assumptions are prudent, there may be material variances to our estimates;
- Timelines for publication of the results of these reviews are very tight, and we may not know what our future funding levels are until late in our Medium Term Financial Planning process, potentially resulting in urgent and difficult decisions being required. This does not support proper and robust planning, or a longer-term strategic view in the decision-making process;
- The future of Social Care, our largest and most risky areas of expenditure, is also unclear. The Government has recognised these pressures in recent years, with the Adult Social Care Precept, the Better Care Fund and a number of other one-off grants to support these growing expenditure areas. However the futures of these are uncertain beyond 2020, and the funding for Social Care pressures through the updated relative needs calculation will change as a result of the Fair Funding review.
- The Green Paper on Social Care continues to be delayed. This may redefine how and what Social care is to be delivered, and impact both on level of relative need and the allocation of funding across authorities providing Social Care.

**Summary**

Whilst the opportunity to retain more growth in Business Rates is appreciated by the authority, this in its own right is not a mechanism to address the significant service demand and cost pressures which we are currently experiencing.

There remains significant risk in delivering Business Rate growth in the future. These are risks which are largely beyond our control as they reflect national and global economic trends and decisions.

Whilst there is risk in changes to Business Rates Retention, there is also reward in the form of greater local retention of Business Rate growth.

However, on balance the risk associated with the wider changes to Local Government funding from the Fair Funding review, the Comprehensive Spending Review and developments in Social Care policy present by far the bigger risk to Local Government funding.

**Key issues**

The key issues identified within this report are as follows;

- More Business Rates will be retained locally by Local Government, however this will be balanced by additional responsibilities, so does not reflect additional funding for current pressures;

- A higher proportion of Business Rates growth will be retained locally after the system is reformed;

- There is a risk that wider economic impacts will reduce the levels of Business Rates growth in the short to medium-term;

- Changes to the wider Local Government funding system may impact negatively on the level of Business Rates retained locally;

- The current level of uncertainty with regards funding beyond 2019-20 may have already hampered investment to support growth and resulted in sub-optimal decision-making;

**Resource implications**

This topic is fundamentally about the financial resources available to the authority, and the new Buckinghamshire Council which will be formed as the new system comes into force. At present we are actively engaged in monitoring the proposals as they develop, and in responding with our concerns, observations and comments to Government consultations as they are published.

The changes to the system will need to be understood and quantified, however this will be considered as part of the Medium Term Financial Strategy.

**Next steps**

As this report reflects developments in Central Government policy there are no decisions to be made by the County Council.

Our next steps consist of continued monitoring of developments in this area, lobbying through MP's and sector representative groups, and responding to Government consultations relating to the above matters.

In creating a Medium Term Financial Plan beyond 2020 we will review the best evidence available at the time and make estimates of the impact of the changes relating to Business Rates Retention and on our overall funding levels and inform decision-makers accordingly.

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

**Select Committee Inquiry Report Completion Date**: February 2018
**Date of this update:** February 2019
**Lead Officer responsible for this response:** Richard Ambrose, Director of Finance & Procurement
**Cabinet Member that has signed-off this update**: Martin Tett, Leader

| Accepted Recommendations | Agreed Yes/No? | Original Response and Actions | Progress Update | Committee Assessment of Progress (RAG status) |
|---|---|---|---|---|
| 1. That all Business Units across the Council should switch to timely monthly management accounting on an accruals basis including meaningful variance analysis/reporting. | In part | The Cabinet agrees that we need to ensure a disciplined approach to budget forecasting. Monthly accounts are currently produced on a timely basis, including variance analysis. The Director of Finance is leading a review of financial management across the organisation and will consider our forecasting methodology and reporting arrangements as part of that review. | <u>6-month Update</u><br>An independent review of our financial management arrangements has confirmed that our current approach to monitoring is right although there are opportunities to improve the accuracy and timeliness of forecasting by reviewing end to end processes. Moving to monthly accrual accounting would increase costs with minimal additional benefits for a local authority. Other counties follow the same approach as us.<br><br>Following a series of workshops with Business Units an Accountabilities Framework has been written together with the 'Finance Service Offer'. Fundamental to this is greater partnership working together with a forward looking approach around forecasting. | |

| | | | 12-month Update<br>No further update. | |
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| **2.** That there should be improved level of visibility in individual budget lines across all portfolios for future Budget Scrutiny Inquiries.  The financial data submitted should clearly identify the major costs of running the Council e.g. Home to School Transport, the EfW plant income and costs, on street parking revenue, Skills budget, number of Full Time Equivalent (FTEs) staff, costs of agency staff/interims, key drivers of demand in Social Care and associated unit costs. A high level Budget Book to enable more transparency for Members and the Public is proposed. | In part | As part of the review of financial management identified above, we are reviewing reporting arrangements to ensure that financial information is clearly aligned to individual services which will help improve accessibility of the data.  We will also carry out research into best practice in other councils, including in relation to the use of budget books, and consider opportunities for improving visibility of the major costs of running the council. | 6-month Update<br>Appropriate information around costs and activity will be provided for future Budget Scrutiny Inquiries. This will help improve the level of visibility and understanding of the budget.<br><br>Research is currently taking place around how other county authorities present their financial information.<br><br>12-month Update<br>Significant levels of information were provided to the Select Committee in a high level Budget Book.  This included setting out the major costs of running the Council, gross costs and income, FTE's and key drivers and unit costs in Social Care.<br><br>The new authority will need to decide what information they would like to see for future Budget Scrutiny Inquiries. However, the S151 Officer and the Leader of the Council will meet with the Chair of the Select Committee to discuss this further. | |
| **3.** That where there are figures in the County Council budget which will also be reflected in a District Council's budget, there | Yes | We fully agree that there should be liaison with partner agencies, including District Councils, where there are key dependencies. There is already good | 6-month Update<br>Liaison between financial colleagues is taking place and will continue to do so. | |

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| should be liaison between financial colleagues to ensure that the relevant figures agree e.g. recycling credits, S106 funding. | | liaison on many of the areas identified by the Select Committee – however, we recognise that there may be occasions where relevant figures do not match as organisations have taken different views. | **12-month Update**<br>No further update. | |
| **4.** That mandatory face to face exit interviews should be undertaken for all staff on Range 10 or above, and where deemed appropriate, staff below that range and that the online exit interview process should be promoted more effectively to capture feedback from staff at other levels. | Yes | The opportunity for face to face exit interviews is already available for all staff. Further steps will be taken to promote this, as well as the online exit interview process, although clearly we cannot make it mandatory for leavers to participate in these interviews. | **6-month Update**<br>A new Mandatory management Objective is being launched across BCC for all line managers and this will cover Managing Resources and Managing People.<br><br>The Managing People objective requires amongst other things that line managers are now responsible for ensuring that Leavers complete the BCC on- line exit interview, unless there are exceptional circumstances such as dismissal or ill health.  The objective also encourages face to face exit conversations with the intention that Managers actively manage the exit processes, discussions and any actions on a timely basis. In addition HR will continue to promote the 'last opinion' survey which collects confidential structured information from Leavers about their experience of working at BCC.<br><br>**12-month Update**<br>Completion of mandatory objectives including the mandatory managing people responsibilities were covered in a CMT paper (Jan 2019) | |

| | | | on mid-year appraisal ratings.<br><br>CMT confirmed that mandatory objectives including the managing people objectives needed to be met in order for successful ratings to be achieved. This message has been further cascaded to leadership teams via HR Business partners.<br><br>A review of the current on-line exit interview and new starter survey is being undertaken to make completion easier and to improve the reporting outputs. This will include reference to what Districts currently do and will be made relevant for unitary changes. | |
| **5.** | That Cabinet ensures that there is clear and effective leadership and programme management in the area of ICT and Digital to ensure that the Council's systems are robust, fit for purpose and can share data, where appropriate. This should include a centralised approval system for ICT procurement to ensure value for money and an improved customer experience. | Yes | The Cabinet agrees that effective leadership and governance arrangements are critical for the delivery of our technology strategy. We agree that it would be useful to ensure a centralised approval system, although will need to take care to ensure that such governance arrangements are designed in a way to be agile and responsive to service requirements. | <u>6-month Update</u><br>Good progress has been made with the establishment of the Information and Technology Board.  Terms of Reference are currently under consultation and the first Member lead meeting is to be held in September 2018.<br><br>All business cases for resource allocation and approval will be via this board covering technology and digital for the Council.<br><br>The September board will approve all projects due for completion prior to April 2019 and budgets required to support these. | |

| | | | 12-month Update | |
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| | | | A new IT Management team is now in place and a new IT Improvement Programme has been established (with a number of associated work streams).<br><br>The Technical Digital Board (TDB) now meets on a regular basis. A number of business cases have been submitted and approved by TDB including (at a corporate IT level) those covering:<br>- Core infrastructure Upgrade<br>- New mobile phone contract (with significant savings for the council and NHS partners)<br>- Core telephony platform upgrade<br>- New Cyber Security Service<br><br>A new Technical Digital Operational Group (TDOG) has been created and will start meeting from March 2018. Reporting into TDB this operational IT group is comprised of departmental and corporate resources and will provide additional governance through the initial vetting of all new IT requirements.<br><br>The Smarter Bucks Strategy 2018-20 was published and agreed by Cabinet. | |
| **6.** That a realistic figure is included in the final Children's Services budget for legal fees. | Yes | There is more work to do to fully understand our expenditure on legal fees in children's services. The Cabinet Member will consider | 6-month Update<br>Work has been done to analyse the expenditure on legal fees and this has been reported to Children's | |

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| | | realigning budgets within the overall portfolio budget envelope in order to make the appropriate provision for legal costs. The Cabinet has also proposed setting aside a contingency of £250k to manage the risks associated with this area of expenditure. | Budget Board. The expected impact of service improvement work will be to increase the legal spend during the current financial year. This trend is not expected to continue in the long term. The creation of a dedicated court team has enabled clear grip and control to be established.<br><br>12-month Update<br>The assumptions around the budget required in relation to Children's Services legal costs has been reviewed and a further £750k was added from the draft budget proposals for 2019/20. | |
| **7.** That the Fostering Service undertakes a benchmarking exercise on foster carers allowances and a best practice review of independent fostering agencies to better inform the Council's approach to recruiting additional in-house foster carers. | In part | As part of our Change for Children Programme, we have a specific focus on increasing our numbers of in-house foster carers. We know from previous research that, in making a choice, foster carers tends to focus on the wrap around support offered rather than the level of allowances. We will continue to review best practice from the public and private sectors and develop our approaches accordingly. | 6-month Update<br>The Fostering Recruitment and Retention Strategy prioritises a review of allowances to ensure that the BCC offer is comparable to other authorities, as well as to simplify our payment structure to increase clarity for carers and increase the carer transfers and new applications<br><br>12-month Update<br>The new allowances were launched on 13th January to an overwhelming positive response from carers. In addition, following consultation, we also are progressing well on improving the whole 'offer' to the foster carers; a new communications officer has been employed, increased training | |

| | | | | opportunities designed and a CAMHS worker is based on the floor to give therapeutic support to the carers. | |
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| **8.** | That there should be a detailed independent review of the assumptions and cost drivers used to develop the Children's Services and Health and Wellbeing budgets, as well as a comprehensive review of processes and financial modelling to ensure more accurate forecasting of spend. | In part | Key drivers of expenditure in these areas are volume of demand and the cost of provision, both of which can be volatile. As a result, it is important to recognise that these budgets can be challenging to predict with accuracy. We have started a detailed review of the processes and methodologies underpinning our forecasting in these budget areas, in order to provide Members with greater confidence about the budget forecasts during the course of the year. The proposed budget also includes additional contingencies to reflect the high risks within Social Care. | <u>6-month Update</u><br>Finance has been working with both Commissioners and the Business Intelligence team to review budget assumptions around volumes and cost pressures. It should be recognised that this is not an exact science as the demand led nature of these services makes forecasting difficult. The majority of authorities with Social Care responsibilities have overspent in these areas in recent years.<br><br>A review of forecasting processes has been undertaken to ensure greater accuracy and timeliness.<br><br><u>12-month Update</u><br>The cost drivers for budgets for placements for children looked after are numbers of children and mix of placements. The budget for children's placements has been rebased for 2019-20 based on updated assumptions in relation to numbers of children looked after and the anticipated mix of placements and associated unit costs. | |

| **9.** That the provision of Home to School Transport, both mainstream and children with EHC Plans, by the Council meets national statutory guidelines only, that discretionary transport should be phased out and that parents/guardians are provided with reasonable notice for any policy changes. | In part | Whilst the Council does currently offer some home to school transport provision that goes beyond our statutory obligations, we are committed to achieving full cost recovery. We will also ensure clear consultation with parents and carers when considering any further changes in this area. Further work is needed to fully understand the financial model of the discretionary provision and to establish alternative options for parents and carers. | 6-month Update A project is in place to review all cohorts of pupils and students accessing home to school transport to enable options to be prepared for pre-consultation and consideration, prior to public consultation and implementation of any changes from September 2019.

12-month Update A thorough consultation was launched on October 31st 2018 to January 4th 2019. 2308 responses were received to the survey during the consultation and in addition to this, there were a number of face to face events with key stakeholders including; FACT Bucks (Families and Children Together) and the Youth Forum. Altogether, the survey included; 11 public meetings, 2 sessions for parents and carers of young people with SEND, 1 session with Youth Voice and a facilitated session by FACT Bucks. The consultation aimed to address the unsustainable budget pressures triggered by increased demand and made proposals to; Support independence through increased uptake of independent travel training; create efficiencies through reducing duplication of public transport provision and contracted travel assistance, removing historic arrangements that are outside of national policy. A report is scheduled for Cabinet for | |

| | | | March 4th to approve these recommendations. Supportive papers include: revised Home to School Transport Policy, Consultation feedback, Needs Assessment, EQIA, Legislation, Post 16 Annual Transport Statement | |
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| **10.** That as part of the Strategic Options Appraisal for redelivering Library Services, an e-book pilot study should be undertaken. | Yes | E-books are currently provided by our libraries; we will explore the further development of such options as part of the future direction of the library service. | <u>6-month Update</u><br>Three strands of work are currently underway to identify scope for the development of e-books. A report summarising the work on all three stands will be produced by the end of December 2018.<br><br>1) Cost/ benefit analysis of existing e-materials. This will quantify investment in e-books to date and measure performance and value for money of current e-book provision relative to traditional hard copy books.<br><br>2) Production of business case and customer survey to replace most hard copy newspapers with online resources. New digital resources can offer access to over 7,000 digital newspapers and magazines from over 100 countries and in 60 languages.<br>3) Business case to consider feasibility of new e-book lending model based around | |

| | | | loaning kindle devices to customers.<br><br>12-month Update<br>The review of usage has been undertaken but the production of the report is not yet finalised. Additional work with the relaunched Aylesbury library has impacted on the timescales for completion, but the report will be completed by the end of March. | |
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| **11.** That, within existing resources, a comprehensive gully survey is undertaken throughout the County to identify accurately the number of gullies and locations and use this to inform the creation of an effective maintenance programme. | Yes | TfB have confirmed that they have accurate records of known gully locations but Cabinet understands the importance of a well maintained highway drainage system and so is allocating a further £125k to this service area in the proposed budget. | 6-month Update<br>The additional resource has allowed for a third emptier to be introduced, this has meant that emptying of catchpits etc. has been made possible as well as additional resource being available for ad-hoc emptying.<br><br>12-month Update<br>The previous funding from Scrutiny has been retained in 2019/20. Information gathered from the gully maintenance and jetting programmes will then be used to feed our new gully maintenance management system. | |
| **12.** That sufficient budget is set aside to enable the introduction of a programme of weed management on footways across the County. | Yes | We recognise that we do not have the resources to undertake a full weed spraying programme. As an alternative, Cabinet is keen to explore options for pilot projects with District or Town/Parish Councils which could deliver other potential solutions. A sum | 6-month Update<br>Following discussions with the Deputy Member for Transportation it was agreed:-<br>a) A sum of money was to be allocated to South Bucks District Council to allow for the fitting of a spray bar to their street cleansing | |

| | | of £125k has been set aside in the proposed budget to support such initiatives. | fleet.  The trial has commenced and results are expected soon.<br>b) As the cost of delivering a meaningful programme was too high TfB were asked to develop a siding out programme that targeted "problem" areas and allows for the full width restoration of foot and cycle ways.<br><br>12-month Update<br>Cabinet's agreement to add £500k to the weeds programme will result in TfB being able to carry out three weed spraying treatments across all of the urban areas in the County, in addition two, two-man crews will be deployed during the growing season to deal with hot spots and remove heavier type growth, self-seeded buddleia and the like as well as clearing slabbed areas of dead weed growth.  This work will have significant visual impact across the network and will help our District colleagues with their sweeping programme. | |

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

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| ✔ | *Recommendation implemented to the satisfaction of the committee.* | 🟠 | *Committee have concerns the recommendation may not be fully delivered to its satisfaction* |
| ⭐ | *Recommendation on track to be completed to the satisfaction of the committee.* | 🔺 | *Committee consider the recommendation to have not been delivered/implemented* |

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

Document is Restricted