



Buckinghamshire County Council
Select Committee
Finance, Performance and Resources

Date: Tuesday 10 September 2019

Time: 2.30 pm

Venue: Mezzanine Room 1, County Hall, Aylesbury

AGENDA

2.00 pm 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.

2.30 pm 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 To agree the minutes of the meeting held on 18 th June 2019.		5 - 8
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:-

<https://www.buckscc.gov.uk/services/council-and-democracy/getting-involved/how-to-get-involved/>

5 CHAIRMAN'S REPORT

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

6 MID-YEAR REVIEW OF BUDGETS FOR CHILDREN'S SERVICES AND ADULT SOCIAL CARE 14:40 9 - 18

The Committee will receive an overview of the Mid-Year budget position for Children's Services and Adult Social Care. It is important for Members to have an understanding of demand and costs in these business units and implications for the budget. Members will also be updated on the progress of agreed budget savings at the mid-year point.

Contributors:

Mr Warren Whyte, Cabinet Member for Children's Services

Mr Tolis Vouyioukas, Executive Director of Children's Services

Mr Richard Nash, Service Director, Children's Social Care

Ms Liz Williams, Head of Finance, Children's Services

Miss Lin Hazell, Cabinet Member for Health and Wellbeing

Mr Neil Haddock, Head of Finance, Communities, Health and Adult Social Care

7 BUDGET SCRUTINY 2019 - 6 MONTH PROGRESS REPORT 16:00 19 - 24

The Committee will examine a progress report on the implementation of the recommendations from Budget Scrutiny 2019 after 6 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

- 8 COMMITTEE WORK PROGRAMME 16:25**
For Members to note the following items which will be presented at the November meeting:
- Information Management
 - Legal Services Update
 - FPR Select Committee – A Retrospective
- 9 DATE AND TIME OF NEXT MEETING 16:30**
Tuesday 5th November 2019 at 2.30pm in Mezzanine Room 1, County Hall, Aylesbury.
- 10 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)
- 11 CONFIDENTIAL MINUTES 25 - 26**
To agree the confidential minutes of the meeting held on 18th June 2019.

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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Therefore by entering the meeting room, you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes. If members of the public do not wish to have their image captured they should ask the committee clerk, who will advise where to sit.

If you have any queries regarding this, please contact Democratic Services on 01296 382343.

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

For further information please contact: 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
Select Committee
Finance, Performance and Resources

Minutes

FINANCE, PERFORMANCE AND RESOURCES SELECT COMMITTEE

**MINUTES OF THE FINANCE, PERFORMANCE AND RESOURCES SELECT COMMITTEE
HELD ON TUESDAY 18 JUNE 2019, IN MEZZANINE ROOM 1, COUNTY HALL,
AYLESBURY, COMMENCING AT 2.32 PM AND CONCLUDING AT 5.00 PM.**

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

MEMBERS PRESENT

Mr W Bendyshe-Brown, Mr D Martin, Mr D Shakespeare OBE, Ms J Ward and Mr D Watson (Chairman)

OTHERS IN ATTENDANCE

Mr J Chilver, Mr T Ellis, Mr M Preston, Mr J Reed, Mrs K Sutherland and Ms J West

1 ELECTION OF CHAIRMAN

RESOLVED

That Mr David Watson be elected as Chairman of the Finance, Performance and Resources Select Committee for the ensuing year.

2 APPOINTMENT OF VICE-CHAIRMAN

RESOLVED

That Mr Charlie Clare be appointed as Vice-Chairman of the Finance, Performance and Resources Committee for the ensuing year.

3 APOLOGIES FOR ABSENCE/CHANGES IN MEMBERSHIP

Apologies for absence were received from Mr Butcher, Mr Christensen and Mr Clare. Members noted that Mr Lambert was substituting for Mr Christensen for the duration of the meeting.



4 DECLARATIONS OF INTEREST

There were none.

5 MINUTES

The minutes of the meeting held on 26th March 2019 were agreed as a correct record.

6 PUBLIC QUESTIONS

There were none.

7 CHAIRMAN'S REPORT

The Chairman advised that since the last meeting a letter had been sent to the Leader and the Cabinet Member for Resources, detailing the findings of the Committee's Inquiry on Effective Leadership. A copy of the letter is appended to the minutes.

The Committee also noted that the Chairman and Mr Martin had recently attended a meeting alongside members of the Children's Select Committee to discuss placements for looked after children. This meeting had been very informative, but it had been agreed that neither Select Committee would undertake any further detailed investigation into placements at this time.

8 IT UPDATE

The Chairman welcomed Mr John Chilver, Cabinet Member for Resources and Mr Tony Ellis, Chief Information Officer to the meeting. By way of introduction, the Cabinet Member stated that he was confident in the IT management team and both Capital and Revenue resources had been committed to an improvement programme, which would deliver a more robust and secure IT environment. The Technical and Digital Board provided effective oversight of the improvements and in addition, procurement savings would be delivered through joint purchasing with Health via the Integrated Care System (ICS).

The Chief Information Officer gave an update and during the presentation and in response to Members' subsequent questions, the following main points were noted:

- The ICT Improvement Programme had eight workstreams, with a project manager assigned to each one. The workstreams were designed to tackle critical issues in the IT system and set a good foundation for the transition to the new Unitary Council. The Improvement Plan was on track.
- BCC staff would all be upgraded to Windows 10 and by the Autumn, all staff would be using Skype for Business telephony system.
- The Council took cyber security very seriously and had a managed security partner with forward scanning capability to monitor its environment.
- The upgrade to Windows 10 would improve the user experience, help workforce mobility and enable more robust maintenance of the system. NHS partners were also moving to Windows 10 and a support team for the rollout across the Council and Health would be jointly funded. District council colleagues were also moving to Windows 10 but were at different stages of the journey.
- The centralised procurement process for IT, which had been recommended by Budget Scrutiny in 2018, was working well. Tony Ellis paid tribute to finance and procurement colleagues who supported the centralised process and ensured it worked efficiently.
- In terms of preparation for the new unitary council, the IT workstream had identified priorities for delivery on vesting day, 1st April 2020 – for example, new standard email addresses for all staff - and what could be decided afterwards.

- On the subject of mobile working, the Chief Information Officer asserted that the role of IT was to provide IT equipment that was capable of supporting mobile working but it was a business decision as to who was classified as a mobile worker e.g. who needed 4G capability for their devices.
- In connection with unitary planning, there was concern that other workstreams might add additional lines to their project plans without flagging IT implications with the IT workstream.
- BCC was creating a centralised information governance team – this was a key consideration for the future and it was important that the new unitary council had a robust data strategy.

The Chairman thanked the Cabinet Member and the Chief Information Officer for attending the meeting.

9 PROPERTY PROJECTS AND INVESTMENT PORTFOLIO REVIEW

The Chairman welcomed Mr John Chilver, Cabinet Member for Resources, Mr John Reed, Director of Property and Assets and Miss Jo West, Asset Manager – Strategy and Major Projects to the meeting. The Cabinet Member reported that Property and Assets were performing very well – delivering all their income targets, progressing with the first nine projects approved under the Local Asset Strategy Review (LASR) and contributing to the unitary property workstream. Improved governance arrangements were also now in place following the establishment of the Property Board.

The Committee received a presentation and in answer to Members' subsequent questions and during discussions, the following main points were noted:

- The Council undertakes a robust due diligence process when assessing the purchase of potential investment properties. The Property Board review all this information before deciding whether to proceed and a key decision is taken, usually by Cabinet as a whole, to authorise the purchase.
- The Council has adopted a 'corporate landlord' approach which in practice means that all business units must consult with Property to ensure that 'good' decisions are made with regards to all property resources. This means that Property have a holistic oversight over the Council's property portfolio.
- Government funding for One Public Estate (OPE) was to enable pump-priming of projects e.g. to cover feasibility or planning costs. Some of the OPE projects, such as Winslow and Buckingham, were focussed on creating community hubs.
- The Council was required to submit key performance indicators around its investment properties each quarter. The Chairman requested that Committee Members should receive a copy of this return for information.

ACTION: Mark Preston

- The level of investment in property varied across local authorities, e.g. Surrey County Council had spent more than BCC to date. The Director of Property explained that whilst the Investment Strategy had detailed a target for the investment portfolio, if there were still acquisitions on offer which made business sense he would recommend going above that figure.
- In response to a Member's query as to how assets were identified for disposal, rather than reuse or to be offered for rental, the Director of Property and Assets reassured that his approach was always to leverage assets to raise income where possible or generate capital receipts. It was also noted that data from external consultants was interrogated by the Property team to check that proposals would work from a political, as well as a business perspective and local members would be involved in discussions.
- The property market was very dynamic. Risks could be minimised by focussing on prime stock and if sites were well-located then it was easier to attract and retain

tenants. A switch in direction could also be considered in response to emerging trends, e.g. change of use.

- Risk monitoring was very robust and 5% contingency was held to cover any voids.
- The unitary council would hold a large portfolio of property which require careful management, but the Council had a strong team and the district councils also had expertise. A new Strategic Asset Management Plan was being developed by the property workstream and John Reed reported that working with district colleagues had been a very positive experience.

The Chairman thanked Mr John Chilver, Mr John Reed and Miss Jo West for attending the meeting.

10 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)

11 REVIEW OF INVESTMENT PROPERTY PORTFOLIO

12 COMMITTEE WORK PROGRAMME

The Committee noted the Work Programme.

13 DATE AND TIME OF NEXT MEETING

Tuesday 10th September 2019 at 2.30pm in Mezzanine Room 1, County Hall, Aylesbury

CHAIRMAN



Buckinghamshire County Council

Select Committee

Finance, Performance and Resources

Report to the Finance, Performance and Resources Select Committee

Title:	Mid-year Review of Children's and Adults Social Care Budgets
Committee date:	10 th September 2019
Author:	Alistair Rush, Deputy Director of Finance

Purpose of Agenda Item

To provide an overview of the financial management of Adult and Children's Social Care packages of care.

Background

The Committee has requested a review of spend within Adult Social Care and Children's Social Care, concentrating on the high risk areas of the budget. The Committee has specifically requested an analysis of placement spend to indicate any variances due to cost or volume, these are provided in detail within the Appendices to this report.

The figures presented are based on the Quarter 1 position reported to Cabinet in July 2019 and analyse the budgets and outturn forecasts by reference to the services or type of care package provided, consequently providing an insight into the complexity of the care provision market within Buckinghamshire.

Adult Social Care Budget 2019-20

The budget for Adult Social Care for 2019/20 as per the Cabinet report in July 2019 was £137.499 million, supporting approximately 4,900 individuals which reflected the growth and savings agreed as part of the Medium Term Financial Plan by the County Council meeting in February 2019 and reflecting the risks identified by the Chief Financial Officer in his Strategic Report to the same meeting. The savings identified were linked to the Better Lives Transformation Programme whilst additional funding was provided for anticipated growth in demand for services.



Better Lives Transformation Programme

The Better Lives Transformation Programme is delivering the anticipated level of savings during 2019/20. The progress of delivery against implementation plans is monitored and validated on a monthly basis and reported to the CHASC Budget Board as well as to the Corporate Management Team Budget Board meeting.

Revenue Budget Monitoring – Quarter 1

Outturn forecasts for services and the growth in demand as at Quarter 1 of 2019-20 is shown within Appendix 1 to this report, further detail about the impact of growth and savings on specific service types is shown within Appendix 2. This demonstrates that there have been some changes in the volume and cost of the additional demand but that, at the time of the Quarter 1 position reported to Cabinet, these variations were being managed within the overall resources available.

It can be seen that, whilst approximately 50% of the gross expenditure budget is spent on residential and nursing care (£66 million), there are significant investments made within community based care settings, with supported living, domiciliary care and direct payments accounting for approximately £56 million of gross expenditure or 42%. However what is potentially as interesting is that this investment supports 3,250 individuals care and support needs, whereas the investment in residential and nursing care supports just 1,391 individuals.

Direct Payments

Supporting individuals to exercise choice and control over the delivery of their own care and support is a statutory duty of the Council, one way in which this is delivered is by offering direct payments, whereby an individual is provided with a sum of money sufficient to meet their assessed eligible care and support needs, which they can control and choose how to meet those needs. The Council is able to maintain appropriate governance of these funds by the use of prepaid cards that allow the Council to ensure that the funding provided is used for the purposes intended, whilst simultaneously facilitating individuals independence and ease of access to funding for their care and support.

Client Income

Income from Fees and Charges as at Quarter 1 was forecast to be higher than planned during 2019-20 by £592,000, of which £484,000 is attributable to Client Income related to contributions towards the cost of care packages. This reflects the on-going change in the profile of individuals receiving care and support via Buckinghamshire County Council, i.e. whilst the overall number of people being supported may remain stable there will always be changes within that cohort as people move into and out of the county and/or leave the



social care system, whether for temporary reasons such as admission to hospital or permanently.

Outlook for the Remainder of 2019-20

The Quarter 1 outturn forecast was that adult social care will breakeven the analysis in Appendix 2 highlights the volatility that can exist within the care market, whereby volume and cost changes can have a significant impact upon the total level of expenditure. These risks were highlighted as part of the Chief Finance Officers Statutory Report, presented to the County Council in February 2019, which continue to be relevant and are reproduced below.

Demand Led Budgets – client numbers and levels of need for statutory services are notoriously difficult to control. Buckinghamshire has a growing elderly population (especially 85+) and growing numbers of people with disabilities, which have increasingly complex needs. Although best efforts have been made to accurately forecast budget requirements and contain escalating demand there will always be a degree of uncertainty. Some contingency budget has been included for those most volatile service areas.

Social Care Policy & Funding – With the Green Paper on the future of Social Care still awaited and much Social Care funding either one-off or potentially ending (Adult Social Care precept and Better Care Fund), both the national policy underpinning service delivery requirements and the funding to support it are uncertain. Whilst some assumptions have been made regarding future funding for Social Care there is a risk that these assumptions will be incorrect and that policy change will impose greater burdens on the Council.

Care Market Sustainability – The Council has recognised that there are other more fundamental pressures within the provider market for Care services and has made some provision in recognition that there is a risk that the costs falling on the Council will be larger than allowed for.

The Children's Social Care Budget 2019-20

The agreed budget for Children's Social Care for 2019-20 was £76.376 million. The budget includes investment to support the key areas of pressure including placement costs (£9.178 million), Legal costs (£1.137 million) and The Vines short breaks provision (£0.886 million). One off support of £0.873 million was agreed to reflect the delays in Early Help savings until September 2019.

The current budget for Children's Social Care at the end of June 2019 is £75.710 million. The change reflects the centralisation of savings targets for Early Help until the service has been remodelled in September. A reconciliation of the budget changes in the first quarter of the year is shown below:



	£m
Approved Budget (as per Council February 2019)	76.376
Virements since start of Financial Year	
<i>Centralise growth/savings until service remodelled:</i>	
Early Help savings	0.570
Early Help – one off growth for delay in savings	(0.873)
Centralise C4C contingency increase to Management cost centre	(0.210)
<i>Other changes</i>	
Family Group Conferencing staffing budget	0.027
19/20 Change for Children (C4C) Contingency Allocation for Project Manager posts - Early Help and Looked After Children	0.151
Early Help in year savings months 1-5	(0.331)
Revised Budget June 2019	75.710

MTFP Savings 2019-20

Progress against the savings agreed in the MTFP for 2019-20 is reported on a monthly basis to Children’s Budget Board and to CMT. All agreed MTFP savings for the Children’s Social Care portfolio are projected to be on track for delivery in the current year.

Revenue Budget Monitoring – Quarter 1

At the end of Q1 it is projected that Children’s Social Care budgets will break even for the year (Appendix 3). A risk of overspend against staffing budgets due to increased numbers of agency staff was reported to Cabinet in the Q1 report. This overspend is anticipated to be offset by projected underspends in other areas including placements for looked after children and legal costs.

Placement Budgets

Placement budgets were rebased as part of the budget setting process for 2019-20. Revised assumptions were made in relation to both the expected numbers of looked after children and the estimated unit costs of placements. The budgets were therefore built to show the expected activity and the expected unit cost of that activity:

- Unit costs were based on averages for the 2018-19 financial year
- Assumed activity was based on trends through the first two quarters of 2018-19 and an audit of Child Protection Plans and an estimate of the numbers of those children that may come in to care.



- The budget reflects a full time equivalent of 525 looked after children across different types of placement
- Estimated placement mix was based on activity through the first two quarters of 2018-19 and the expected impact of the sufficiency strategy for looked after children through which the numbers of in house foster carers is to be increased by 20% per annum and the number of in house residential beds will increase.

At the end of Q1 placement budgets are projected to underspend by £152k.

Appendix 4 analyses the placement spend and activity to indicate where variances are due to activity/demand or due to variations in unit costs.

- Numbers of looked after children are currently projected to be lower than budgeted for across most placement types. The full time equivalent number of children forecast for the year is 507.
- Unit costs are generally higher than initially estimated. In many cases higher unit costs are an indication of increased complexity of need, for example a number of children have stepped down from residential to semi-independent provision with increased levels of support.

Placement budgets continue to be monitored rigorously and all high cost placements are being reviewed to ensure support is appropriate and meeting need.

Legal Costs

Legal costs are projected to underspend by £360k in the current financial year. This reflects reduced activity compared with the previous year

Salary Budgets

The Q1 monitoring report highlights a risk of £1.1 million associated with the costs of agency staff. The agency rate for social work staff is currently at 30% as a result of HR processes to address performance, natural turn over and difficulties in recruiting. At Q1 this overspend is being offset by other positive variances across the service and a number of actions are in place to mitigate spend:

1. Daily interactions with HR and external recruiting partner on recruitment. Improved adverts, targeted recruitment campaign.
2. Reviews of agency staff, offers of permanent employment.
3. All agency requests signed off by Service Director.

Summary

1. At Quarter 1 budgets for Children's Social Care are projected to break even for the current financial year
2. All current MTFP savings are deemed to be deliverable within the year
3. Pressures against agency costs are being offset by other positive variances across the service, including legal and placement budgets
4. Placement budgets are projected to underspend by £152k for the year. Cost and volume analysis indicates that numbers of children are lower than budgeted but unit costs are higher than budgeted for across most placement types.

VARIANCES ATTRIBUTABLE TO:

Health & Wellbeing	19/20 Budget (,000)	Service Efficiency	Service Reduction	Additional Income	Service Development	Demand	Unit Cost	Change in Grant	All Other	19/20 Forecast Outturn	Comments
Grant Income	-11,905									-11,905	
Fees & Charges	-32,317			-592						-32,909	Additional client income is anticipated compared to budget.
Parking Income										0	
Other Income										0	
	-44,222	0	0	-592	0	0		0	0	-44,814	
Employees	23,787		-156						86	23,717	Additional management capacity to support the delivery of service developments, alongside the implementation of a review of the community liaison service
Premises	133									133	
Transport	2,954									2,954	
Supplies & Services	7,593									7,593	
Residential 65+	21,223					120	8			21,351	
Nursing 65 +	23,918									23,918	
Residential LD	22,101					82	208			22,391	
Supported Living	23,005						81			23,086	
Direct Payments	20,202									20,202	
Domiciliary Care	14,406									14,406	
Agency Payments - packages of care	10,327					112	206			10,645	This budget supports the purchase of care packages for the following service groups: Learning Disability, Physical & Sensory Disability (PSD) & Mental Health (MH) nursing care £2,991,000; PSD & MH residential £5,932,000; social isolation £798,000 and supported accommodation £606,000.
All Other Agency Payments	10,925									10,925	This budget supports a variety of other care services not covered above, including: MH services, temporary nursing and residential care, and supported housing alongside some other smaller services and contracts.
Agency	0									0	
Other Transfer Payments	911		-153							758	The variance relates to a contract value reduction on voluntary projects.
Controllable Recharges	59									59	
Controllable Support Services	178									178	
All other	0									0	
	181,722	0	-309	0	0	314	503	0	86	182,316	
Net Budget	137,499	0	-309	-592	0	314	503	0	86	137,501	

Appendix 2

<u>Expenditure - before savings</u>	Budget (£000)	Clients (FTE)	Budget unit cost (£ week)	Outturn (£000)	Clients (FTE)	Outturn unit cost (£ per week)	Change in Demand	Change in Unit Cost	Variance attributable to change in Demand (£000)	Variance attributable to change in Unit Cost (£000)	Total Variance (£000)
Residential 65+	21,223	569	713.59	21,351	572	713.86	3	0.27	120	8	128
Nursing 65 +	23,918	586	780.40	23,918	586	780.40	0	0.00	0	0	0
Residential LD	22,101	269	1,568.94	22,391	270	1,583.65	1	14.71	82	208	290
Supported Living	23,005	568	774.64	23,086	568	777.36	0	2.73	0	81	81
Direct Payments	20,202	1,442	267.89	20,202	1,442	267.89	0	0.00	0	0	0
Domiciliary Care	14,406	1,228	224.36	14,406	1,228	224.36	0	0.00	0	0	0
All Other Agency Payments	10,327	278	711.32	10,645	281	725.38	3	14.07	112	206	318
Mix									-116	116	
	135,182	4,940	523.32	135,999	4,947	525.72	7	2.40	197	620	817

The following tables list the MTFP savings as result of Better Lives and other savings projects within Adult Social Care.

<u>Savings</u>	Savings budget (£000)	Change in clients (FTE)	Change in unit cost (£ week)	Outturn (£000)	Clients (FTE)	Outturn unit cost (£ per week)
Residential 65+	-650	-18	0.75	-650	-18	0.76
Nursing 65 +	-800	-20	0.13	-800	-20	0.13
Residential LD	0	0	0.00	0	0	0.00
Supported Living	-635	0	-21.38	-635	0	-21.38
Direct Payments	-900	0	-11.93	-900	0	-11.93
Domiciliary Care	60	12	-1.25	60	12	-1.25
All Other Agency Payments	0	0	0.00	0	0	0.00
Mix						
	-2,925	-26		-2,925	-26	

<u>Expenditure - after savings</u>	Budget (£000)	Clients (FTE)	Budget unit cost (£ week)	Outturn (£000)	Clients (FTE)	Outturn unit cost (£ per week)	Change in Demand	Change in Unit Cost	Variance attributable to change in Demand (£000)	Variance attributable to change in Unit Cost (£000)	Total Variance (£000)
Residential 65+	20,573	551	714.34	20,701	554	714.61	3	0.28	120	8	128
Nursing 65 +	23,118	566	780.53	23,118	566	780.53	0	0.00	0	0	0
Residential LD	22,101	269	1,568.94	22,391	270	1,583.65	1	14.71	82	208	290
Supported Living	22,370	568	753.25	22,451	568	755.98	0	2.73	0	81	81
Direct Payments	19,302	1,442	255.95	19,302	1,442	255.95	0	0.00	0	0	0
Domiciliary Care	14,466	1,240	223.11	14,466	1,240	223.11	0	0.00	0	0	0
All Other Agency Payments	10,327	278	711.32	10,645	281	725.38	3	14.07	112	206	318
Mix									-120	120	
	132,257	4,914	514.68	133,074	4,922	517.10	7	2.42	194	623	817

0.422465549

<u>Client income</u>	Budget (£000)	Clients (FTE)	Budgeted income by client (£ week)	Outturn (£000)	Clients (FTE)	Outturn income by client (£ week)	Change in Demand	Change in income by client	Demand (£000)	Unit Cost (£000)	Total Variance (£000)
Care Homes	- 14,818	1664	- 170	- 15,025	1,671	- 172	7.21	-1.63	-64	-142	-207
Care in the community	- 5,099	3250	- 30	- 5,376	3,250	- 32	0.00	-1.63	0	-277	-277
Mix									35	-35	
	- 19,917	4914	- 78	- 20,401	4,922	- 79	7.21	-1.77	-29	-454	-484

In the above tables, the line MIX is an adjustment necessary to avoid errors made by adding averages together

Overall Variance Analysis Q1 - Children's Social Care

	19/20 Budget (,000)	Service Efficiency	Service Reduction	Additional Income	Service Development	Demand	Unit Cost	Change in Grant	All Other	19/20 Forecast Outturn	Comments
Government Grant Income	(597)									(597)	
Other Income	(728)									(728)	
Total Income	(1,325)	0	0	0	0	0	0	0	0	(1,325)	
Employees	27,311								1,100	28,411	There is a potential risk of an overspend of £1.1m on staffing costs arising from the cost of agency staff across Children's Social Care. The work completed to date on improving the quality of the service provided by the statutory social work teams has led to a high number of staffing changes. This has led to the proportion of agency staff across the workforce increasing from approximately 20% to 30%. Significant efforts to recruit permanent social work staff have previously not resulted in the right calibre of candidates coming forward in the required numbers.
Premises	1,850									1,850	
Transport	484									484	
Legal Costs	3,120							(360)		2,760	Underspend on legal costs due to reduction in number of court proceedings forecast
Other Supplies & Services	2,779									2,779	
In House Foster Care and Connected Carers	2,642					105	0			2,747	
External Placements - Residential	10,918					(766)	780			10,931	These budgets fund placements for children looked after. Variances against placement budgets are analysed in more detail in the attached cost/volume summary. To date, the forecast number of placements is lower than budgeted for however unit costs are higher against some types of placements.
Residential Block Contract	937					(309)	258			886	
Ext Placements - Fostering	9,221					(319)	185			9,087	
Secure Accommodation	264					266	177			707	
Parent & Child placements	769					(605)	117			281	
All Other Agency Payments	6,639									6,639	
Semi Independent living Placements	2,015					(172)	132			1,975	
Other Transfer Payments	7,162									7,162	Analysed in more detail on attached summary
Controllable Recharges	918									918	
Controllable Support Services	5									5	
All other									(587)	(587)	Work to continue to decrease the number and duration of all 'high-cost' placements where it is safe to do so
Total Expenditure	77,034	0	0	0	0	(2,161)	1,649	0	513	77,035	
Net Budget	75,710	0	0	0	0	(2,161)	1,649	0	513	75,710	

Placement Forecast for Q1 2019-20 - Placements for Looked After Children

Monitoring of Placement Costs 2019-20

	Budget 2019-20			Period 3		Analysis of Variance by Cost and Volume					Children Budgeted	Children Forecast	Budgeted Annual Unit Cost	Forecast Annual Unit Cost	
	Budgeted Volume (Nights)	Budgeted Unit Cost per Night £	Budget 19/20	Forecast Volume (Nights)	Forecast Unit Cost per Night £	Forecast £	Difference in Unit Cost £	Variance Due to Cost £	Difference in Volume (Nights)	Variance Due to Volume £					Total Variance £
In House Foster Care and Connected Carers	60,590	43.61	2,642,330	62,993	43.61	2,747,128	0.00	0	2,403	104,795	104,795	166	173	15,918	15,918
External Placements - Residential	20,924	521.78	10,917,731	19,456	561.85	10,931,321	40.07	779,602	(1,468)	(765,973)	13,629	57	53	190,450	205,075
Residential Block Contract	2,190	427.85	937,000	1,467	603.83	885,971	175.98	258,207	(723)	(309,336)	(51,129)	6	4	156,165	220,398
Ext Placements - Fostering	70,371	131.03	9,220,712	67,939	133.75	9,086,931	2.72	184,794	(2,432)	(318,665)	(133,871)	193	186	47,826	48,819
Secure	365	724.26	264,355	732	966.15	707,225	241.89	177,063	367	265,803	442,866	1	2	264,355	352,645
Semi Independent living	10,830	186.05	2,014,917	9,904	199.39	1,974,735	13.34	132,119	(926)	(172,282)	(40,163)	30	27	67,908	72,777
Parent & Child placements	3,404	226.00	769,394	725	387.40	280,868	161.40	117,015	(2,679)	(605,454)	(488,439)	9	2	82,490	141,403
Total	168,674		26,766,439	163,216		26,614,179		1,648,800		(1,801,111)	(152,311)	462	447		
FTE Looked After Children in Forecast	462			447											
In House Residential	13											13	9		
Placed with Parents	27											27	23		
Placed for Adoption	13											13	17		
Other Local Authority Fostering												-	5		
Concurrent Planning	6											6	2		
Health Placement Provision	4											4	4		
Total FTE	525											525	507		

Notes from cost/volume analysis

Residential Care - volume of placements is lower than budgeted however unit costs are higher than budgeted which is leading to a broadly breakeven position. The forecast is for 53 children to be in residential care over the year

External Fostering - Unit costs are higher than budgeted for but currently placement numbers are lower. If unit costs remain high then the budget will be under pressure as numbers increase. Forecast is for 186 children to be in placement across the year.

Semi-Independence - Unit costs are higher than budgeted for and placement numbers are lower than budgeted. Forecast is for the equivalent of 27 children to be in placement for the year.

Parent & Child - budgeted unit costs are an average of different types of placement (residential/fostering/semi-independent) and current unit costs are higher than budget - indicates that more residential placements rather than fostering. Placements are directed by the Court and tend to be short term.

Secure Accommodation - forecast currently based on two placements continuing for the full year.

In House Foster Care - Currently forecast to deliver more placements than budgeted for.

Response to Select Committee Budget Scrutiny Inquiry 2019

Select Committee Inquiry Report Completion Date: February 2019

Date of this update: September 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 Recommendation	Agreed Yes/No	Original Response and Actions	Progress Update	Committee Assessment of Progress (RAG status)
<p>1. That additional monies should be added to the 2019-20 contingency budget, to supplement the current Unitary reserve of £7.7m. The Committee suggests that this additional sum could be taken from the County Council’s share of additional income anticipated from the Business Rates Retention pilot, which all five Local Authorities in Buckinghamshire will be participating in.</p>	<p>YES</p>	<p>Cabinet agree that additional monies should be added to the current Unitary reserve by allocating funding from the successful Business Rates Retention pilot bid. This will bring levels up to £11m, which is expected to cover 50% of the overall anticipated transition costs.</p>	<p>Closed.</p>	
<p>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.</p>	<p>IN PART</p>	<p>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.</p> <p>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.</p>	<p>6–month update: Now that the Shadow Overview & Scrutiny Committee chair has been appointed the information requirements for Budget Scrutiny can be discussed and agreed.</p>	

<p>3. That a balance sheet and cash flow budgets should be prepared to support the capital, treasury investments and revenue costs over the four year period.</p>	<p>IN PART</p>	<p>This is already prepared for the year ahead. The new authority will need to consider how best to extend this to cover a four year period.</p>	<p>6-month update: This is being considered by the Finance & Procurement Workstream and will be discussed with Members, as appropriate.</p>	
<p>4. The Committee has concerns that the root cause societal issues driving the increase of Looked After Children may continue to grow over the coming years and therefore there is the possibility that the budgeted growth in demand may not be sufficient. It is recognised that assistance from Government may be required; in the meantime a significant contingency is recommended.</p>	<p>IN PART</p>	<p>Significant funding has been added to the Children's Social Care Portfolio in 2019/20 (c£11m). The assumptions around Looked After Children numbers and type of placements have been reviewed to ensure that they are as robust as possible.</p> <p>Furthermore, contingencies have been included in the 2019/20 budget for demography (£370k) and high cost placements (£500k) together with a general contingency relating to social care pressures (children's and adults) of £2.7m.</p>	<p>6-month update: The Q1 revenue forecast position for Children's Social Care is roughly breakeven. Furthermore, there are contingencies included as previously stated.</p>	
<p>5. That a realistic figure is included in the final Children's Services budget for legal fees.</p>	<p>YES</p>	<p>The assumptions around the budget required in relation to Children's Services legal costs has been reviewed and a further £750k added as compared to the draft budget proposals for 2019/20.</p>	<p>Closed.</p>	
<p>6. That the Health and Wellbeing contingency should be reviewed to ensure that it offsets the risk areas outlined above. A significant contingency is recommended.</p>	<p>IN PART</p>	<p>Contingencies have been included in 2019/20 for demography (£1.35m) together with a general contingency relating to social care pressures (children's and adults) of £2.7m.</p>	<p>6-month update: Closed.</p>	
<p>7. That a minimum 5% per annum uplift should be applied to this budget line to take into account inflation, growth of the asset and impact of increased traffic on the</p>	<p>NO</p>	<p>Cabinet have already recognised capital highways maintenance as being a priority by allocating £15m p.a. which should ensure that the</p>	<p>N/A</p>	

highways.		overall condition of roads improves year on year. Furthermore, £4m has been allocated to plane and patch works over the remaining part of 2018/19 and 2019/20.		
<p>8. That the additional funding for gully cleansing and weed management which had been added into the budget as a result of Budget Scrutiny recommendations over the past two years, should be maintained. This will prevent further decline of the asset and should be viewed as an ‘invest to save’.</p>	IN PART	<p>Cabinet’s agreement to add £500k to the weeds programme as a one-off in 2019/20 will result in TfB being able to carry out three weed spraying treatments across all of the urban areas in the County. Furthermore, 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.</p> <p>For gully maintenance the previous funding from Scrutiny will be retained in 2019/20. Information gathered will then be used to feed our new gully maintenance management system.</p>	<p>6–month update: Routine weed spraying commenced across the county in May, the first spray is complete and die-back is evident in most areas. Follow up work through mechanical sweeping is ongoing to remove dead weeds/detritus.</p> <p>Growth in the Spring and early Summer has been vigorous.</p> <p>Spray 2 will progress through August. Mechanical sweeping will continue. Spray 3 is programmed for late September/October.</p> <p>Two man crews have been active across the network removing detritus, self-seeded growth and sign cleaning. This work will continue through summer and autumn.</p> <p>The new GullySMART system was introduced for 01 April and is now integrated into maintenance activities, providing enhanced and robust information relating to activities carried out and building asset history to assist future planning.</p>	

<p>9. That a Street Lighting Survey should be undertaken to establish the location, ownership and condition of all columns in the County, including an assessment of the current status of all lights. In addition, if a further £2m could be funded from within the Capital envelope, this should be added to fund an acceleration of Column Replacement works. The use of smart technology should also be investigated.</p>	<p>IN PART</p>	<p>We are working with Parish and Town Councils to determine the extent of assets that are in their ownership and will be looking to display this information on the 'Fix-My-Street' reporting site. The County asset will be collected and reconciled as a part of a technology trial that is underway; the primary purpose of which is intended to collect data relating to outages and the like. There is no further funding available to increase the Council's budget from £1.5m p.a. However, the County has recently been awarded £4.2M of innovation type funding that will permit the limited roll-out of a Central Management System and intelligent control gear (dimming etc.). In addition we will be investigating the development of alternative material lamp columns.</p>	<p>6-month update: A questionnaire was sent in early 2019 to all Parish and Town Councils asking for confirmation if they are responsible for the maintenance and ownership of any footway lighting within their local areas and if so, to confirm their understanding of the stock for which they are responsible. They were also asked to confirm if they have a strategy in place for management of their asset.</p> <p>Responses have been prompt, all have responded. However, very few have full spatial data on assets under their control, the majority are now undertaking that collection. Once provided, TfB will populate into the county's asset management system.</p> <p>A number of the Parish Councils have followed up to seek details of the equipment that is being used on County Council projects so that they can install similar but distinguishable equipment.</p> <p>The trial of smart equipment has now been incorporated into the larger £4.2m innovation project being delivered by BCC directly, as it was seen that the two work streams were duplicating efforts and that a joined up approach would be preferable and provide a more coherent solution. This project is progressing well.</p>	
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<p>10. That preparations for the new authority should include both the Unitary Opportunities and Future Budget Scrutiny recommendations detailed on slides 45 to 47. The opportunity that the creation of a new Council presents should not be missed.</p>	<p>IN PART</p>	<p>It will be for the new authority to decide how best to take these suggestions forward.</p>	<p>6-month update: No further update.</p>	
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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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