



Report to BSP Board

Future direction for Buckinghamshire

1. Tony Travers, London School of Economics, will be facilitating discussion of this agenda item and will prompt debate in the context of the changing national and local policy landscape. To support the discussions, a summary from key partners on the key financial and policy issues affecting individual organisations is attached at Appendix A. This is the context in which the Board is asked to consider the collective impact on public services in Buckinghamshire, and implications for the future strategic direction of the county.
2. **As an outcome from these discussions, the Board is asked to consider:**
 - **What partners should work together on, and**
 - **How we should go about this**
3. BSPIG has reviewed the work programme agreed by the Board last year. This was undertaken in the light of the emerging impact of the Coalition agenda, and the changing policy context of a move towards 'small government – Big Society'. As guiding principles, BSPIG considered that the work programme should seek to address root causes, not symptoms, and should only include areas where there is added value from partnership collaboration (i.e. cannot be delivered by one partner alone). BSPIG also noted that our long-term Sustainable Community Strategy outcomes remain valid, and that the work programme is our medium-term approach to delivery of these outcomes¹.
4. BSPIG agreed to recommend to the Board that the work programme regroups around the following 4 themes (previously 6):
 - **Tackling crime and fear of crime** – to include the work on *Integrated Offender management* and possibly domestic violence
 - **Promoting prosperity** – including the *Broadband* project
 - **Narrowing the gaps** – to include tackling *childhood poverty* and families with complex needs
 - **Big Society** – to include *helping people to live at home, public realm/clean streets* and *promoting personal responsibility*.

This continues to fit within an overarching theme of 'Promoting Prosperity – Narrowing the Gaps'. The topics in italics show the earlier 6 themes.

¹ The Bucks family of Sustainable Community Strategies can be accessed on http://www.buckspartnership.co.uk/sites/partnership/BSP/community_strategy.page

Appendix A:

Summaries of the key policy and financial issues from the following partner organisations are attached:

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Aylesbury Vale District Council (AVDC)

Context

Aylesbury Vale is a large district within Buckinghamshire, stretching from the Chiltern Hills in the south to the outskirts of Milton Keynes in the north. The main town is Aylesbury and other principal settlements are Buckingham, Wendover, Winslow and Haddenham.

Aylesbury Vale is the third largest district in the country by resident population (173,500) and by geographical area (900 sq. km). It is entirely 'parished' with 103 parish councils/meetings. Latest ONS estimates show 91% of the population is white, with ethnic minority communities 9%. Though mainly a rural district in nature, Aylesbury is the county town and its population accounts for nearly 40% of the district total.

The district scores relatively lowly on the national Index of Multiple Deprivation although 16 areas of Aylesbury town rank among the 25% most deprived in the South East. According to the latest claimant count figures, 2% of the district are unemployed and seeking work, compared to 4% nationally, although the district is a net exporter of out-commuting workers.

The council has 59 councillors split between 37 Conservative, 21 Liberal Democrats and 1 Independent.

1. Financial

In 2010-11, the Council has a net annual revenue spend (excluding direct grants) of £27m. This is financed by £12m formula grant, £9m council tax and £6m from investment interest, commercial property income and other sources. In 2011-12, the Council will receive £2.6m less grant than for 2010-11 and in 2012-13 the grant will be reduced by a further £1.2m. These reductions together represent a cash reduction of nearly 27% in support, well over 30% after inflation. If the impact of reductions in other specific government grants are taken into account, then AVDC sees the greatest single year reduction out of any authority in the country (17.3% in 2011-12). The Council will move from being above the grant floor to sitting below it. The Council is working hard to transform its services to take account of the impact of the government funding cuts but there remains a very real risk that some if not all front line services will be detrimentally affected.

Policy:

2. Housing and Economic Growth

Under the soon-to-be abolished regional spatial strategies, Aylesbury Vale was a significant part of the Milton Keynes and South Midlands growth area, with a target allocated growth of some 27,000 new homes to be built by 2026, a population increase of some 22 per cent. The Council also had a policy of seeking a job for every new home built.

Following the localism bill announcements, the Council has now begun a process of consulting parishes and communities about 'appropriate' levels of housing growth. But in the light of Government views on the New Homes Bonus Scheme, put alongside the severe cuts to this council's formula grant, there will clearly be a tricky balance to be maintained between acceptable housing growth and resourcing wider council services.

The Council remains extremely committed to encouraging economic growth, and has a number of policies in place to support this. But AVDC increasingly finds itself also having to bankroll the provision of critical infrastructure (e.g. electricity power supply) to support economic growth; national rules as to how such infrastructure is financed do not facilitate this.

3. Town Centre Growth & Development; Major Projects

The Council transferred its housing stock in 2006, and used a proportion of the sale proceeds to finance some major capital projects, including the new Waterside Theatre in Aylesbury in 2010. At a time when many areas are sheltering from the recession, AVDC is instead financing a number of publicly funded projects which the private sector, facing difficulty raising finance from a risk-averse banking sector, is unable to progress.

Among these are: a new hotel/foodstore canalside development; the National Enterprise Academy national Headquarters on the same site (both projects rely on rental income to repay the Council's loans); and assembling the town centre's major landowners (including AVDC itself) to kick-start a long-delayed retail regeneration scheme. These schemes demonstrate the council's ambition, but are not without commercial risk.

4. Localism/Big Society

Like others, the Council is trying to get to grips with what the 'Big Society' means in practice, and where the opportunities lie. Given the Council's and the broader public sectors financial pressures, and the 'double whammy' of reducing grant streams to the voluntary sector, we are keen to explore what opportunities exist to maximise value from our diminishing shared resource. Also, opportunities such as cooperative and mutual ventures, and greater partnership working with town and parish Council's will be further explored.

Buckinghamshire County Council

Finance

On 10 January 2011, Cabinet approved a draft budget for consultation which included a proposed freeze on council tax and a fundamental redesign of Council services. Spending reductions totaling £58m will be needed over the next three years if the Council is to live within its means. Significant savings of £57 million have already been delivered over the last four years to help reduce the required savings target to £58m. The proposed budget consultation closes on 4th February and runs in tandem with service-based consultations, looking at youth services, adult social care charging and transport.

Alongside cuts in Government funding which included a 14.3% reduction in formula grant for the coming financial year, the Council is also having to take into account inflationary pressures (currently running at above 3%), plus known service pressures such as an ageing population, more children being referred for assessment and support, higher landfill tax and carbon reduction commitment.

Most service areas are facing reductions. Youth services, transport and some adult social care services will necessitate fundamental changes to how they are delivered, and the public's views on their redesign are being sought in separate consultations. These are in addition to consultations on libraries and daycare services.

Responses from The Bucks Debate have also helped shape budget proposals. The Bucks Debate held last year, offered the public a range of ways to have their say on how the County spends its money. More than a thousand people participated, either through public discussions, on line forums, feedback forms, community group debates and view-gathering sessions with interested groups.

If the proposed Council Tax freeze is achieved, Buckinghamshire will qualify for a Government grant of £5.76m, equivalent to a 2.5% increase. Other cost saving measures include reducing the number of members by eight in 2013, outsourcing and transforming back office services, as well as negotiating with unions on staff pay and conditions.

Policy

Building on our existing philosophy of encouraging community approaches, further development of Big Society principles will help the Council to develop its enabling role and to encourage new and innovative approaches to community solutions. As powers move from central Government back to local councils and local communities, we can begin to work better with residents and communities to design and deliver services that best meet their needs. With this in mind and the level of savings required, residents' views are critical to our future planning. Through the recent 'Bucks Debate', residents generally accepted that things couldn't stay the same in the future. However, they said they valued the following services:

- Highway maintenance
- Winter maintenance
- Household waste and recycling centres
- Recycling and composting
- Residential and nursing care
- Child Protection
- Respite Care

- Special educational needs
- Fostering and adoption
- Services for vulnerable people

Some of the service areas residents suggested for possible savings were:

- Economic development
- Assessment of people's needs
- Locality services
- Road safety
- Street lights

Members are currently reviewing the Council's four-year Corporate Plan which is expected to result in a more focussed set of priorities. This will be agreed alongside the budget at full Council on 17 February.

Other key policy issues

1. Moving towards greater choice and **personalisation** of care services for adults and children.
2. The importance of **safeguarding** and protecting the most vulnerable, together with our approach to **Special Educational Needs**.
3. Responding to our changing demographics, with an **increasingly ageing population**.
4. The future of **economic development** and growth following the first wave of Local Enterprise Partnerships and after first round bids are made to the Regional Growth Fund.
5. Lobbying against the Government's preferred route for **High Speed 2**.
6. **New and effective Partnership Working** arrangements post LAA
7. The future of **Public Health** services in the light of the Public Health White Paper and forging new relationships with GP collaboratives
8. Expanding encouraging community solutions through further development of '**Big Society**' approaches across Buckinghamshire with BCC becoming the provider of 'last resort'.
9. Changes to the way ICT, property HR and finance services are delivered, aiming to generate savings of £4m over the next three years. Also to consider the future of Transport and Youth services, currently out for consultation and our future approach to charging for services
10. The Council had awarded preferred bidder status to WRG for a 30 year contract to build an **Energy from Waste** facility (incinerator) to treat the county's household waste at Calvert. However, following a recent Overview & Scrutiny examination, the decision will be re-considered by the Cabinet.
11. The reduction of Members from 57 to 49 and to scrap all two-member divisions, which the Boundary Commission has accepted in principle.

Council Performance – Although the CAA inspection regime has been abandoned, the following inspections have taken place recently:

1. **The Care Quality Commission (CQC)** has judged Buckinghamshire's Adult Health and Social Care Service, to be "performing well".
2. **Ofsted** – Judged 'children's services in Buckinghamshire to be performing excellently. Only 20 authorities were judged as excellent which means Buckinghamshire is in the top-performing 13% of authorities in the country.

Chiltern District Council

Finance

The headline spending review figures show that reductions in grant are towards the lower end of our forecasts. A key point is that the cuts are front loaded rather than spread evenly across the 4 year period (2010/11 – 2014/15).

The provisional finance settlement covers a two year period – 2011/12 and 2012/13 and Chiltern has been assessed as receiving the highest level of funding cuts for shire districts. In cash terms the reduction in Formula Grant for 2011/12 is £718,722 (18.2%) and for 2012/13 is £465,358 (14.4%).

The Council has identified a savings programme of £1,029,000 over a four year period against a requirement of just in excess of £1 million over four years. The emphasis for the Council is on capturing these savings through a combination of organisational change, review of senior staff structures, lean thinking projects, income generation and shared waste collection with Wycombe DC.

The current position on the 2010/11 budget is a predicted under-spend of £447,420 which will be taken into the General Fund balance at the end of the year.

For 2011/12 the additional savings requirement is £95,370 which is considered manageable but there will be a large savings requirement in 2012/13.

The Council will be taking advantage of the grant to freeze Council Tax but there is still uncertainty about the 10% reduction in overall budget for Council Tax benefits, it is not clear whether councils will be expected to shoulder the burden.

Revenue budget forecasts for 2012/13 to 2014/15 will be reported to Chiltern District Council Cabinet on 1 February 2011.

Policy

- Minimise the impact of spending cuts on the community, for example, the Council taxi card scheme was costing too much money to administer and as a result the Council is looking to support community transport in a different way.
- Building the capacity of communities to take on additional voluntary responsibilities e.g. building community capacity project in Chesham.
- Managing the impact of cuts in partner's funding e.g. cuts in County Council funding will impact on our local community.
- Housing and Planning issues:
 - Increasing the affordable housing stock will always be an issue (AONB)
 - Reduced capital grant subsidy for RSLs will reduce affordability of rent
 - Reduction in housing benefits
 - Knock on impact on housing advice and homelessness
- High Speed 2 – knock on impact on the economy, housing market, tourism and farming.
- Community Safety, diminishing police resources and fear of crime.
- Health reform and engaging with GP Collaboratives.
- Building community cohesion and guarding against parallel communities.
- Building on areas of collaboration e.g. PCSOs and Integrated Offender Management.
- Recession and economic development: attracting inward investment of the appropriate kind for the area.

NHS Buckinghamshire

Strategic Objectives

NHS Buckinghamshire continues to have four strategic objectives, which it has been consistently pursuing for several years:-

1. Improve the health status of our local population and reduce inequalities in health
2. Enhance quality and safety of patient services
3. Enable local people to have a greater influence on services that NHS Buckinghamshire commissions and increase the ability of people to manage their own care
4. Achieve financial sustainability with headroom to invest

The NHS in Buckinghamshire is particularly challenged. While health outcomes are generally good, resources available are amongst the very lowest in England and there has already been significant work to ensure maximum efficiency from the system to reach financial sustainability.

Financial Assumptions/ Allocations

Whilst there is a modest increase in the financial allocation to the NHS nationally (2%), this is not sufficient to cover the impact of increasing demands on the services from:

- The impact of demography – changing population numbers and age structure
- The impact of new technology and treatments
- Strengthening public expectation of services, in comparison with the best in Europe

Indeed, with budget adjustments taken into account from 2011-12, there will be **no net** growth in funding for NHS Buckinghamshire.

Therefore, further measures will be required to reduce costs to ensure the health economy spending remains within budget. This will be achieved by the principles of QIPP – quality, innovation, productivity, prevention. In order to accommodate the pressures to grow services, we aim for NHS productivity in Buckinghamshire to be at the levels of the best in England.

QIPP Work Programmes

Our key work programmes remain:

- to manage down elective in-patient and out-patient activity to affordable levels consistent with an improved service quality
- stop the growth of urgent care demand and remodel urgent care services closer to peoples homes, while improving quality (ImPACT programme)
- shift pattern of service away from acute care into community services – requiring the transformation of community services
- maintain support to staying healthy programmes

This work is supported by capacity planning across Buckinghamshire and Berkshire which will shed light on how acute capacity needs to change (Care for the Future Project).

Workforce

To deliver the QIPP plan for Buckinghamshire there will be significant changes to the workforce in the system, including:

- The headline reductions in staffing in the acute sector over the four year period to 2014 is expected to be in the order of 500 wte. (against a baseline in 2010/11 of 4,200, ie approx 12%)

- Staffing levels for community integrated teams will increase by >100 in the coming year

The commissioner will meet its management costs reduction target, which will require staff reductions over the period.

NHS White Paper Liberating the NHS Equity & Excellence Reform Plan

Under plans in the NHS White Paper PCTs will no longer exist from April 2013 and local commissioning will be undertaken by GP Consortia and local authorities. In Buckinghamshire, the GP Consortia will have Pathfinder Status, running shadow budgets from April 1st 2011. A shadow well-being Board will also be established.

The Local Transformation Group established under leadership of GP-Commissioners, will continue to review PCT functions with a view to identifying if they need to be undertaken under the new arrangements and if so how.

South Bucks District Council

Profile

- 87% Green Belt with some of the highest house prices in the country
- More people over 65 than England/Wales average and predicted to rise slightly more than the average over the next 20 years. Second highest BME population of Bucks districts
- Very low unemployment with one of the lowest claimant counts in England/Wales. High and rising levels of self employment with very high new companies formation rate
- Lowest level of public sector employment outside City of London at 6.75% (overall level 20.4% as at November 2010)
- Media/creative industries and pharmaceuticals well represented

Big Issues

- High but reducing levels of serious acquisitive crime with much cross border criminality
- Provision of truly affordable housing extremely difficult
- Carbon emissions per head of population very high
- Constant pressure for development by individuals, developers, companies and infrastructure projects

The Council

- Under 150 staff, savings totalling around 27% of net budgets already made or committed to be made by 1st April 2011
- Council is unusually dependent on income from investments which have fallen rapidly over the last 2/3 years meaning that substantial cuts have already been necessary
- Government grant cuts are substantial and amount to 17% reduction in 2011/12 and 13.5% reduction in 2012/13 giving a total of 30% in cash terms over the two years or £905k.
- Need for savings had already been anticipated but additional savings will now be required
- Govt. scheme to pay grant in return for a 0% council tax rise in 2011/12 likely to be seriously considered although grant for this will fall away after 4 years, leaving further savings to be found

Strategic Direction

- Big Society – no guidance and unlikely there will be so need to look at what can be achieved with less public money but maybe more guidance and support
- Key task already undertaken by South Bucks Partnership is to look at how residents can be supported and encouraged to help themselves and not look to the Council at all times
- Review already under way of website and supply of information and communications to support this. New approach and change of culture/ways of thinking
- Support for volunteering and community work, CAB, debt counselling etc. to existing levels or higher
- Staff training to be undertaken to help this change
- Work to be done on how best to assist community projects avoid excessive barriers in areas such as H & S, CRB, insurances etc. and signposting for individuals to appropriate areas for self help. Example – Anti Social Behaviour where victims and neighbours can help themselves with guidance
- Consultation via Have Your Say will be stepped up on key areas which might be threatened in the future, although Council continues to aim to avoid front line cuts although front line must be efficient and lean
- Look at all budget areas but depth of existing savings programme means many already examined
- Potential outsourcing of support services with tenders due to be assessed by end of March
- Alternative ways of provision and joining of services with other councils being looked at actively

Thames Valley Police

Budget and Police Grant

The detailed breakdown of government funding for the police was announced on 13 December 2010.

Thames Valley Police has been informed that its Police Grant budget for 2011/12 will be £158,154,857.

This is part of a four-year settlement that is allocated based on the specific needs of each Force, and ensures that all Forces bear a fair share of the cuts to police funding outlined in the October Spending Review.

As part of the settlement, the Neighbourhood Policing Fund will remain for two years to help Chief Constables protect visible local policing, and a specific fund for counter-terrorism will be maintained to ensure forces are able to deal with the continuing terrorist threat.

The settlement will also see a number of other funds brought into the main grant (including the BCU Fund), giving police forces greater discretion about how to spend their money.

The settlement follows the October Spending Review, which set out how total funding to the police will reduce by 20 per cent in real terms over the next four years, or 14 per cent once council tax precept forecasts are taken into account.

The Chief Constable's Management Team is currently reviewing the details of the grant announcement to determine the level of funding that Thames Valley Police is likely to receive, and assess the impact on our budget proposals.

Provisional headline figures for Thames Valley Police are as follows:

- Following the Comprehensive Spending Review, Central Government police funding will reduce by 20% in real terms by 2014/15.
- Police resource funding will reduce by 14% in real terms by 2014/15, taking into account OBR's council tax precept forecast.
- For Thames Valley Police this equates to approximately £52m reduction on budget by year 4. This is front loaded with the higher cuts in years 1 and 2.

Plans

The Force is used to delivering productivity savings and has delivered £34million over the last 3 years – much of it cash related but officers have also been redeployed to the front line. We now have a 3 year strategy that focuses on 5 key themes:

- Collaboration
- Zero Based Budget Approach
- Value For Money
- Local Policing Model
- Streamlined Processes

The force's intention is to protect front line service delivery and address areas of risk, and to make as much saving through more streamlined working and reducing non staff costs.

Headlines for local policing model:

- Local policing (patrol, NHP, local investigation and some partnership posts) will be delivered at LPA level to match unitary and district partnerships (statutory level for CSPs). With South Oxon and Vale combining at Council officer level this will mean we have 15 LPAs.
- All other services will be delivered through a shared service approach.
- Shared services will be created for Child Protection, Major Crime, IOM.
- Cost reductions have been based on risk, cost, need and opportunity to deliver in a different way.
- Savings are phased over 4 years – this will give an opportunity for other initiatives at a national and local level to be realised and reduce need for some of the higher risk savings.
- Shared services will be line managed centrally but will be delivered through geographic hubs where proximity is important. (for some services this will mean at a county level)

At this stage it is estimated that there will be about 800 posts lost (up to 300 police officers) however this is provisional until the settlement is announced and fully assessed.

Chief Constable Sara Thornton said in early December 2010:

“On our current planning assumptions Thames Valley Police has to save a total of £52 million over the next four years. However we will not know the detail of our central police grant until early December. We have worked with Police Authority colleagues to develop a Productivity Strategy and over £47 million of savings have been identified. (...Initial estimates suggest...) that over 800 posts will go over the four year period – about 10% of the workforce.....“Once the police grant is announced we will be much clearer about what exactly we will need to do to reduce our costs and will work with the Police Authority on that plan. My aim is to ensure that as many posts as possible are lost through natural wastage but there will be some redundancies.....“At present, the plan is to make savings through restructuring, streamlining processes, collaboration with Hampshire Constabulary, and cutting back on non-essential activity. Although I can't make any guarantees, I am doing all I can to minimise the impact on visible policing and no reductions in patrol strengths or neighbourhood police teams have been proposed at this stage.....“This is a challenging time for the force, and we will do all we can to cut our budget, but not our services. I am confident Thames Valley Police is as ready as it can be to face the challenges over the coming months and years.”

Draft Three Year Delivery Plan

Thames Valley Police and the Police Authority are currently determining the force's performance priorities for 2011/12 and the Delivery Plan for this period. The latest version of the headline objectives from the draft Delivery Plan is :

Objective 1: To cut crimes that are of most concern to the community

Objective 2: To increase the visible presence of the police

Objective 3: Protect our communities from the most serious harm

Objective 4: Improve communication with the public in order to build trust and confidence with our communities

Objective 5: To tackle bureaucracy and develop the professional skills of all staff

Objective 6: To reduce costs and protect the frontline

Wycombe District Council

Finance issues in the next year

(Subject to consideration of the detailed financial settlement on the 13 December 2010)

- Wycombe District Council has a balanced budget for 2010/11 with no in-year budget cuts required
- Indicative grant cuts from spending cuts announced on the 14 December suggest a budget gap for next year of £250-500k. This can be met within our existing service transformation programme.
- Current prediction is a budget reduction of a further 16% (around £3m) over the next three years
- Most significant reductions predicted for 2012/13 period.

Policy issues in the next year

(Mix of Government changes + our internal transformation programme + setting priorities and moving forward)

- Implementation of the Localism Bill will be wide-ranging across the authority – with housing and planning reforms
- Big Society – developing our approach and implementing this
- Welfare reform – changes to benefit entitlements
- Future of Economic Development function - LEPs
- Removal of NI set and move to a 'single set of performance measures' will be wide-ranging across the authority
- 'Internal': Key projects in our service transformation programme in 2011/12 include Plan B for support services (finance, benefits, risk, fraud, audit, legal, hard FM, soft FM, ICT and HR) – a mix of internal transformation, outsourcing and partnering arrangements. Monies are set aside to make these changes happen
- 'Internal': Tenant Led Transfer – ballot due to be held in early 2011 with move to Red Kite Housing by the autumn if ballot is successful
- Progressing the Council's service transformation programme, which is about doing things differently whilst generating savings
- New Corporate Plan following the District Council elections on the 5th May 2011
- Sustainable Regeneration – progressing 'flagship' projects
- Looking to protect front line services as far as possible

