

Delivering the new  
**BUCKINGHAMSHIRE COUNCIL**

# Deputy Leader & Resources Portfolio

Budget

14 Janu

# Agenda

- Portfolio context
  - including service information and key facts and figures
- Key Financial Issues & Risks
- Draft Revenue Budget 2020-2023
- Overview of MTFP changes
- Supporting Financial information (including income, contracts & FTE)
- Draft Capital Programme 2020-2023

# Portfolio context

## Business Support & Customer

Responsible for:

- Council Access Points
- Customer service
- Website
- Corporate Business Support (such as executive assistant pool for Senior Managers)
- Local Resilience Forum/ Emergency Planning/Business Continuity

Priorities over the coming period will be:

- Continuity of customer service experience
- Ongoing development of new website
- Long term plan for CRM
- Embedding new Emergency Planning framework

## Finance

A full in-house finance function, responsible for:

- Financial and Investment strategy
- Budget management and advice
- Treasury and Risk Management
- Procurement
- Internal Audit
- Revenue and Benefits
- Direct Payments for social care
- Insurance

Priorities for coming year will be:

- Supporting council through transformation, to rationalise budgets and deliver savings
- Design and delivery of new finance system
- Harmonisation and rationalisation of operational-level Finance policies and practices.

## ICT

Responsible for:

- ICT Strategy
- ICT Service Desk
- Systems Admin
- Solutions Architects
- IT Operations
- IT Apps

Priorities for coming year will be:

- Supporting council through transformation of systems and applications, such as the finance system and revenue and benefits systems.
- Investing in ICT infrastructure and networks to increase resilience.
- Exploring the options for potential integration of ICT function with health sector

# Portfolio context

## Property & Assets

Responsible for:

- Capital projects
- Strategic Asset Management
- Property Investments
- Special Purpose Vehicles/Joint Ventures
- Planned Preventative & Reactive Maintenance, including Schools
- Corporate Landlord Function
- Agricultural Estate

Priorities over the coming period will be:

- Managing the risks of possible economic downturn on our income streams
- Supporting the council through service transformation e.g office moves.
- Developing and delivering phase 2 of the accommodation strategy.
- Harmonisation and rationalisation of budgets, contracts and Property-related policies and procedures.
- Optimising use of our combined assets
- Delivering support to other Unitary projects such as devolution.

## Human Resources & Organisational Development

Responsible for:

- Payroll
- HR Operations
- Employee Relations
- People Change and Transformation
- Pay and Reward
- Pensions Employer responsibilities
- Learning and Development
- Organisation Development including Employee Wellbeing
- Resourcing and Social Media campaigns
- HR Systems

HR&OD also provides many services to Schools including payroll, recruitment services, employee relations and the Employee Assistance and Occupational Health services.

Priorities for the coming year are:

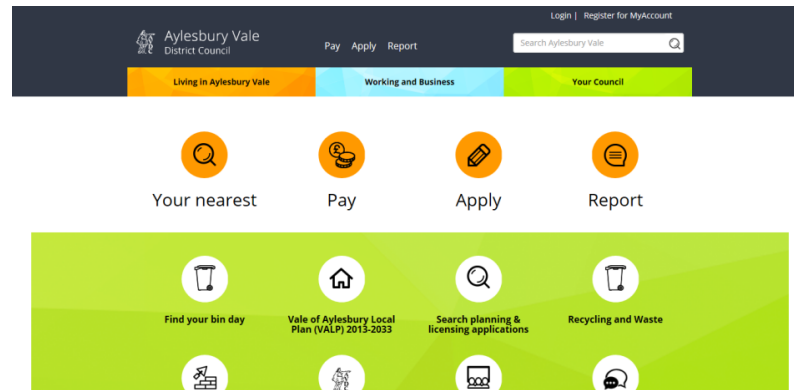
- Supporting the Council and employees as services are reviewed and transformed
- To establish the new HR&OD service as one that signposts employees and managers to information so that they can undertake routine HR transactions efficiently; Provides timely professional advice; Retains and builds the Schools HR&OD service provision.

# A selection of Facts & Figures

£119m  
Paid in **Housing Benefit**



£21m  
Paid in **Council Tax Support**



**4**  
Property Companies

16,000,000  
Website Hits



£1.2bn  
Value of **Property Asset Base**



4,675

Microsoft License Holders



657,000

Calls to Contact Centres



# Key Financial Risks & Issues 1

## 1. Pressures on this Portfolio

We have a number of budget pressures from 2019/20 for which we have identified one-off mitigations in 2019/20, but which will carry forward into 2020/21 and need to be resolved on an ongoing basis:

Pressure Source	£k	£k	£k	Comments
Carried Forward Pressures from 19/20	155	125	375	BCC Pressures from Children's Service Business Support, loss of HR schools income, Finance team staffing pressure. Mitigations have been found for years 1 and 2 (levering PMO funding; move from high cost interim to permanent head of legal).

**We do not propose bidding for additional funding for these pressures.** We expect to meet the £155k pressure in year 1 predominantly through early release of agency staff, particularly in Finance. For future year pressures, our opportunities are: generating additional Property Income, for example by getting new tenants into 66 High Street and Exchange North; over or early delivery of unitary transformation savings.

## 2. Property Rental Income

(a) AVDC Property Voids and reduced income: AVDC are set to lose income from 66 High Street (£261k from losing 1<sup>st</sup> floor tenants), and from the East Wing of Gateway (up to £63k). In the first instance, £300k of new funding from the recent LG settlement has already been earmarked to meet these pressures.

(b) Property Team staffing: Property and Assets have stretching income generation targets. These are amber rated, due to the sometimes uncertain and speculative nature of income opportunities. Property and Assets have identified a pipeline of income opportunities which would seek to over-achieve income thereby de-risking the income target. **We need to ensure that Property & Assets have sufficient staffing capacity and capability to realise the income opportunities. The Property Workstream have flagged that they are currently at full capacity, stretched to deliver Unitary, which could put these opportunities at risk.** We are not requesting extra resources, but capacity and capabilities in the team will need to be kept under review.

# Key Financial Risks & Issues 2

## **3. ICT**

The scale of future ICT transformation will be significant and we will need to ensure we have sufficient resources, appropriate and proportionate governance arrangements, and follow best practice in the assessment, development and delivery of ICT solutions to ensure we achieve value for money.

## **4. Service Transformation Savings target**

In year 1 we have combined savings target of £455k (for new unitary and existing service transformation savings), plus some carried forward budget pressures to meet. In order to achieve this saving we will need to deliver some early transformation to realise savings over-and-above the unitary target.

## **5. Complexities in Budget Management & Reporting**

Currently the new council's budgets are a merger of inherited budgets. Finance will not have the capacity to support the rationalisation of all budgets straight away. District Council staff are also moving to use a new Finance System (SAP) which they may feel unfamiliar with, and differing levels of financial management support currently offered by each finance function. The budget management and reporting environment will therefore become more complex, and Finance teams are likely to experience significant resource pressure. We are seeking to mitigate this through securing additional staff on a temporary basis from the Unitary transition budget.

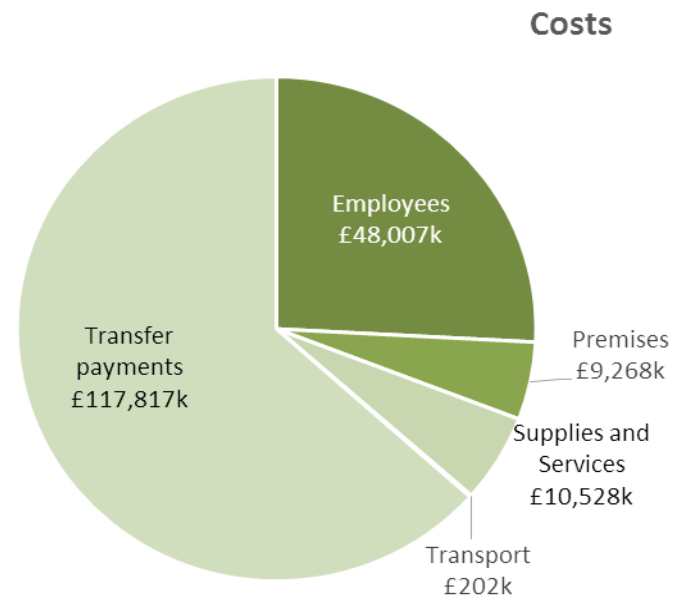
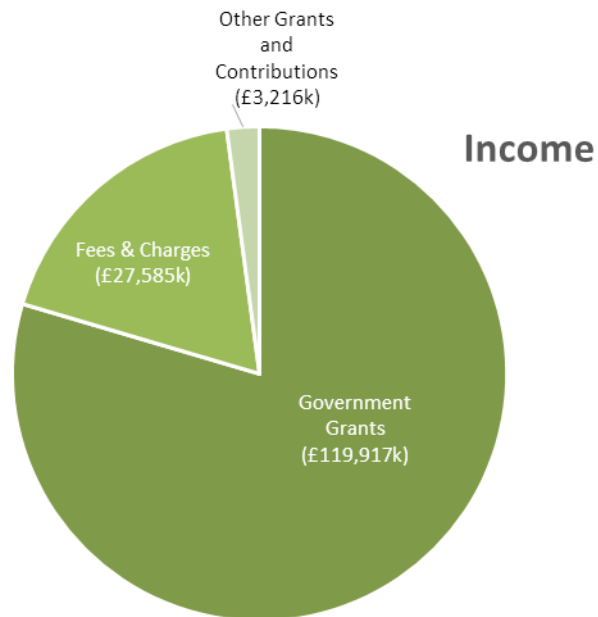
## **7. Complexity in management of large number of Terms and Conditions**

The HR&OD service will be maintaining c.30 sets of terms and conditions for Buckinghamshire Council and there is a risk to the provision of accurate and timely advice. Managing the pay reviews will now be complex both for TUPE-ed terms and also managing budgets as part of the transformation processes to identify people costs and savings.



# Draft Revenue Budget 2020-2023

Deputy Leader & Resources Portfolio	2020-21			2021-22	2022-23
	Income £000	Expense £000	Net Budget	Net Budget	Net Budget
HR & OD	(1,655)	6,487	4,832	4,812	4,812
Revenues & Benefits	(122,021)	121,857	(164)	(602)	(896)
Property & Assets	(22,368)	17,194	(5,174)	(5,674)	(5,647)
Finance	(3,157)	16,910	13,754	13,754	13,704
Customer & Business Support	(890)	9,771	8,881	8,756	8,756
ICT	(627)	13,604	12,976	12,983	12,911
<b>Net</b>	<b>(150,718)</b>	<b>185,824</b>	<b>35,106</b>	<b>34,029</b>	<b>33,640</b>





# Overview of MTFP changes

	2020-21	2021-22	2022-23
Description of change	£000's	£000's	£000's
Customer Experience Savings	(125)	(250)	(250)
Digital First programme	(132)	(132)	(232)
Net additional income from New Projects (Consilio)	(150)	(200)	(250)
Net additional income from Tatling End Housing	(129)	(276)	(285)
Property energy inflation	178	249	317
Property Transformation, Income and Investment Opportunities	(734)	(1,128)	(1,128)
Change in Housing Benefit grant	50	(118)	(352)
Service Transformation	(455)	(745)	(805)

- Customer Experience Savings – C&SB project already underway, year 1 savings expected, some year 2 savings may need to be revisited in light of Unitary.
- Digital First Programme – savings are due to be achieved when WDC's capita contract expires and ICT moves back in-house.
- Additional income from Consilio - has been achieved with recent Milton Keynes purchase
- Additional income from Tatling End Housing – housing under construction; income expected Mid-2020
- Property Energy Inflation –budgeted growth in-line with Energy Team's forecasts
- Property Transformation, Income and Investment Opportunities – healthy pipeline of opportunities, some more likely to materialise than others.
- Change in Housing Benefit Grant – WDC's projected changes to grant income; if this does not materialise, it will be offset by a corresponding reduction in grant payments.
- Service Transformation – amalgamation of assigned Unitary savings and service efficiency savings from AVDC and BCC.

# Supporting Financial information

## Portfolio FTE

The table below shows for illustrative purposes, excludes vacancies and agency posts, and is subject to ongoing finalisation process.

Service Area	FTE
Customer & Business Support	352
Finance	268
HR & OD	153
ICT	187
Property & Assets	108
Revenues & Benefits	107
<b>TOTAL</b>	<b>1,173</b>

## Top 5 Contracts

The table below shows the Top 5 contracts in the Portfolio, by annual contract value

Supplier	Description of Contract	Annual Contract Value
Pertemps Recruitment Partnership Ltd	BCC Agency Staff Contract	£10,000,000
Udata	PSN	£2,498,000
Tencer Ltd	Property Maintenance Services	£1,360,766
Capita	WDC outgoing ICT Managed Service	£1,455,000
Adecco UK Limited	AVDC Agency Staff Contract	£1,400,000

# Supporting Financial information

## Breakdown of Income

Service Area	£000 20-21 Income	Source of Income
<b>HR &amp; OD</b>	(1,618)	
Payroll	(824)	Sale of payroll services to schools; AVDC's payroll consortium income
Corporate Health & Safety	(86)	Sale of H&S training and advice to schools
Employee Relations	(328)	Sale of employee relations advice service to schools
HR Operations and Organisation:	(380)	Sale of recruitment and training services to schools and other local organisations; Income for administration of DBS checks
<b>Rev &amp; Bens</b>	(122,871)	Grant income from Central Government
<b>Property &amp; Assets</b>	(21,804)	
Agricultural Estate	(750)	Rental Income from council-owned farms
Facilities Management	(414)	BCC Corporate Landlord Property Income & AVDC Gateway Conference and Catering Income
Property Investments	(9,637)	Rental Income from pure investments
Strategic Asset Management	(11,004)	Rental Income from Strategic Assets and Investments
Other	(34)	
<b>Customer &amp; Business Support</b>	(890)	
Business Support Services	(112)	Mainly fees and charges for Blue Badge administration
Commerical Development	(306)	Fees from sale of consultancy services by AVDC's commercial development team
Customer Services	(472)	Charges to schools for adminsitration of education appeals and schools data management systems
<b>Finance</b>	(3,156)	
Pensions	(2,291)	Contribution from pension fund for administration
Insurance	(670)	Income from insurance payouts
Internal Audit	(31)	Sale of internal audit services to Bucks Fire & Rescue & fee to pension fund for audit oversight of pension administration
Business Support Services	(40)	Miscellanoues income from collection of very aged debt
Direct Payments	(90)	Fees to the public for 'Finance Deputies' service for Adult Social Care
Other	(35)	
<b>ICT</b>	(627)	Sale of ICT services for broadband and wider-area networks to schools; AVDC's existing fees earned from Enterprise Service Desk (telephony and ICT services).
<b>SUBTOTAL</b>	<b>(150,966)</b>	

# Draft Capital Programme 2020-2023

## Expenditure

		2020/21	2021/22	2022/23	Total MTFP
Service	Scheme	£000	£000	£000	£000
ICT	Delivery of Technology Strategy	2,000	1,500	1,500	5,000
	Social Care Systems	1,600	-	-	1,600
	ICT Hardware	645	150	275	1,070
Property and Assets	Aylesbury Study Centre	-	1,200	-	1,200
	Conversion Old Wycombe Library	537	-	-	537
	Enhancement of Strategic Assets	299	274	-	573
	Property Maintenance Programme	1,110	1,015	1,090	3,215
<b>Grand Total</b>		<b>6,191</b>	<b>4,139</b>	<b>2,865</b>	<b>13,195</b>

- To note:
  - No new capital bids have been put forward for this MTFP.
  - Aylesbury Study Centre – this budget was set aside to develop the New County Office study centre into an area for Members. This project was placed on-hold due to Unitary.
  - The ICT investment required to underpin the transformation programme is not reflected in the programme above. Business cases will be developed as part of the transformation programme for consideration against the unitary Transition and Transformation funds.
  - Property & Assets service area contribute significant Capital Receipts from asset disposals to fund the Capital Programme.