

Budget Scrutiny Report 2014-15

Chairman: David Shakespeare

Published: January 2014

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RECOMMENDATIONS

Recommendation 1 – We recommend that the Leader continues to lobby government to provide timely financial settlements that enable local authorities to effectively plan their budgets within the given timescales (para. 7-10).

Recommendation 2 – We recommend that Cabinet continue to move towards achieving local financial self-sufficiency to avoid future reliance on government funding (para 7-10).

Recommendation 3 – We recommend that a) Cabinet Members have autonomy to determine how savings are achieved within their portfolios, and are held accountable for these, and b) If a corporate Priority Based Resourcing exercise is repeated in future then we recommend that this takes place earlier, with better Cabinet Member engagement and greater consideration of wider implications (EIAs) (para 14-15).

Recommendation 4 – We recommend that a) A brief guide to ‘understanding our budget’ is produced that explains acronyms, definitions and what information is being presented; b) Further information about the Council’s overall finances and portfolio outturn projections is included in the budget paperwork; c) EIAs continue to be improved through the consideration of rural and urban impacts, and EIAs relating to previously agreed savings are published when a plan is in place to achieve these (para 16-21).

Recommendation 5 – We recommend that the recent good work in improving participation and representation in the Budget Consultation is continued. Options for savings given in the resident consultation should be limited to areas of discretionary spend where funding cuts would be feasible in practice (para 22).

Recommendation 6 – We recommend that Cabinet consider whether in the current climate there is a case for allocating unspent contingencies to fund one-off investment in assets that support the Council’s strategic priorities (para 23-24).

Recommendation 7 – We recommend that a substantial review of Cabinet remits be undertaken if the Future Shape is agreed by Cabinet, to provide the public with clear and understandable lines of democratic accountability. In the meantime there may be a case for reviewing Cabinet remits where certain services (e.g. Planning, Advisory and Compliance) appear to cross two portfolios (para 27-30 & 84).

Recommendation 8 – We recommend that Cabinet commits to improving rather than maintaining the current condition of Buckinghamshire’s roads. All options for allocating a level of resources that will achieve this should be explored. As short-medium term borrowing rates are historically low, we recommend that consideration is given to prudential borrowing to take advantage of this opportunity. Consideration should also be given to the issuance of municipal bonds and to any other options for funding an enhanced long term programme of Strategic Highways Maintenance (para 51-52).

Recommendation 9 – We recommend that further consideration is given to how the potential impacts of Connexions re-commissioning set out in the EIA, such as ‘a reduction in service levels and accessibility of Connexions services’, can be mitigated to minimise any effects on young people who are NEET (para 61 & 64).

Recommendation 10 – We recommend that significant inflationary costs across all portfolios are re-modelled and updated annually to best reflect current estimates (para 75).

Recommendation 11 – We recommend that the Cabinet Member for Finance and Resources considers our approach to property management and what can be learnt from the Aylesbury Vale Estates partnership model (para 76-79).

Recommendation 12 – We recommend that the Cabinet considers how best to step up efforts to explore and progress further joint working opportunities with partners, particularly where savings are potentially high, e.g. joining up waste and planning services with the District Councils (para 83).

Recommendation 13 – We recommend that there is a re-energising of efforts to devolve further competencies to parish and town Councils where it benefits both parties and makes financial sense to do so. There should be a clear offer as to what further devolved opportunities and financial support there could be in future (para 88).

Recommendation 14 – We recommend that Prince2 methodology is used throughout the Capital process and that all business cases are prioritised on a scoring basis. We recommend that consideration be given to whether there are opportunities to do things differently or work more closely with partners on property issues (e.g. sharing existing office space rather than building new offices) (para 93-96 & 76).

Recommendation 15 – In the event that additional resources are available in the base budget, we recommend that the following areas should be considered a high priority for buy backs, partial buy-backs or additional spending:

- a) Supporting People (750k from 2015/16) in Health and Wellbeing. We recommend that the Cabinet Member for Health and Wellbeing explores ways of protecting this funding to minimise adverse impacts on vulnerable people, the local voluntary and community sector and other Council services (para 56).**
- b) Discretionary Advocacy (£44k) in Health and Wellbeing. We recommend a buy back on the basis that these activities become statutory in the Care Bill from 2015/16. If a buy back is not possible, we recommend that the Cabinet Member explores how to fund discretionary advocacy from within existing budgets (para 57).**
- c) Children’s Partnership Team (£75k in 2014/15 rising to £237k in 2016/17) in Education and Skills. We recommend that activities supporting Child Poverty and vulnerable groups are protected. If this is not possible then we**

recommend that the Cabinet Member for Education and Skills explores how these activities could be done differently at lower cost rather than stopped (para 63).

- d) Short breaks for disabled children (£430k in 2014/15 rising to £480k in 2015/16) in Children's Services. We recommend a buy-back to protect services that prevent additional families from requesting social care assessments (para 68).***
- e) Local Area Technicians (LATs) (unspecified) in Planning and Transportation. We recommend that savings aren't achieved through reducing LAT posts, and that the policy of keeping 50% of LATs in the office be reviewed to ensure that they are used to their best capacity (para 71).***
- f) Weed spraying (201k) in Planning and Transportation. We recommend a buy-back of this proposed saving. We also recommend that TfB improve their programme management of this service so that weed spraying is undertaken in May and September only (para 72).***
- g) Strategic Client (unspecified) in Planning and Transportation. We recommend that sufficient additional resource is allocated to provide effective management of the contract thereby ensuring best value for money (para 73).***
- h) Voluntary and Community Sector (£77k) in Community Engagement. We recommend that funding to Community Impact Bucks and BMKALC is protected so as not to impact staffing posts that support the voluntary and community sector, or parish and town Councils respectively (para 88).***

INTRODUCTION

1. The County Council set its draft budget for 2014-15 and indicative budgets for 2015-16 to 2017-18 in an environment of increasing funding constraints, uncertainty, and rising demand for expensive statutory services due to an aging population, the fastest growing population of 0-15 year olds in the country, and increasing numbers of children being taken into care. Austerity is expected to continue for several more years but the easier savings have already been achieved. The Council has taken out £68m of costs over the last three years and expects to have to save a further £65m over the next 4 years, which inevitably involves making difficult decisions. In this challenging context, a scrutiny review was established to examine the Council's draft budget proposals.
2. The Council has recently adopted a new approach to Overview & Scrutiny based on the parliamentary select committee model. The Budget Scrutiny review group was established by the Finance, Performance and Resources select committee and was comprised of the following elected Members: David Shakespeare (Chairman), Brian Roberts, Bill Bendyshe-Brown, Trevor Egleton, Steven Lambert, David Martin and Alan Stevens. The chairmen of the three other select committees were also involved in specific portfolio sessions: Lin Hazel, Val Letheren and Warren Whyte.

3. Evidence sessions were held in public on 17th December 2013 and 7th-9th January 2014. Each Cabinet Member was questioned on their draft budget proposals and how these support the Council's [Strategic Plan](#) priorities. We also held a session with the Deputy Cabinet Member for Finance and Resources to look at the Council's Capital programme, and further sessions were held with Diane Rutter from Community Impact Bucks and Michelle Kukielka from Barnardo's. In addition, we received a written submission from Alex Pratt OBE of Bucks Business First. Our evidence gathering concluded with a second session with the Leader of the Council. We were very grateful to all Members, Officers and external contributors who were involved in the Budget Scrutiny process.
4. Evidence sessions were webcast live and can be viewed on the Council's [webcasting webpage](#). Over 800 hits were received within 2 weeks. Minutes of the sessions can be accessed via the Council's [Councillors, Meetings and Decisions webpages](#).
5. We set out to examine whether the draft budget proposals support the Council's Strategic Plan, and to highlight possible risks and adverse implications relating to specific proposals. We were aware that Cabinet will soon be considering whether to agree to implement the Future Shape programme, which would radically change the way the Council operates. We wanted to understand what the Future Shape could mean for different portfolios and services, and whether they were already moving in this direction by becoming more 'commercially minded'.
6. We would like to thank all Cabinet Members for their co-operation and for engaging in the Budget Scrutiny process honestly and constructively. In particular, we would like to thank the Leader of the Council for taking the time to attend two sessions and for his open discussions on the draft budget proposals and the future of the authority.

FINANCIAL ENVIRONMENT

7. A number of assumptions had to be made in producing a draft budget because central government did not provide a provisional financial settlement for 2015/16 until late December 2013. This was considerably worse than expected and at the time, details of capital grants remained outstanding. The draft budget assumed 20% annual reductions in the Revenue Support Grant after 2015/16, and £11.2m of further savings had to be identified over the four years. The Committee noted the difficulty that Cabinet experienced in drawing up a draft budget, particularly in being unable to commit to firm figures without government grants being known. We recommend that a strong statement is made by the Leader of Council to government expressing disquiet about current government timetables for announcing grant settlements to local authorities.
8. The government's Council tax referendum threshold was set at 2%, so the draft budget assumed an increase of 1.99% in each of the four years. However, the government later indicated that this threshold was being reviewed, creating a considerable risk that it will be revised downwards. We also heard that Council tax collection was expected to be slightly higher than assumed.

9. The government was considering moving New Homes Bonus funding from Local Authorities to Local Enterprise Partnerships (LEPs) from 2015/16, so the draft budget assumed that this funding (£2.75m in 2015/16, rising to £3.3m in 2016/17) would disappear completely after 2014/15. We since learned that this funding will be retained by Local Authorities but that the government will be conducting a further review.
10. While the financial situation facing the authority remained very challenging, the outlook improved slightly after the draft budget was produced. However, the potential lowering of the Council tax referendum threshold posed a significant financial risk to the authority.

Recommendation 1 – We recommend that the Leader continues to lobby government to provide timely financial settlements that enable local authorities to effectively plan their budgets within the given timescales.

Recommendation 2 – We recommend that Cabinet continue to move towards achieving local financial self-sufficiency to avoid future reliance on government funding.

BUDGET SETTING PROCESS

11. The majority of budget adjustments were determined by the Cabinet Members with their portfolio teams and Officers, with the exception of £5m worth of Transformation savings, which were identified corporately as part of a Priority Based Resourcing (PBR) exercise (see paragraphs 14-15).
12. The draft budget proposals were approved by Cabinet on 9 December prior to being subjected to scrutiny. The draft budget returns to Cabinet on 3 February 2014, alongside this Budget Scrutiny report, before going to full Council for final approval.
13. We were pleased to hear that many of last year's Budget Scrutiny recommendations had been implemented and that work was ongoing to progress the remainder.

Priority Based Resourcing

14. We heard that a PBR exercise took place quite late in the budget setting process, as the Leader of the Council acknowledged. Equality Impact Assessments (EIAs) were produced in response to specific PBR proposals. However, we heard no evidence that these EIAs were taken into consideration prior to the draft budget being produced.
15. We found that a number of Cabinet Members did not seek to take ownership of PBR savings, and some commented that they would prefer to be given a funding envelope in which to draw up their own savings proposals. A number of Cabinet Members identified PBR savings as reductions that they would buy-back, but we were concerned that if buy-backs weren't possible, cuts would be made that Cabinet Members didn't agree with.

Recommendation 3 – We recommend that a) Cabinet Members have autonomy to determine how savings are achieved within their portfolios, and are held accountable for these, and b) If a corporate Priority Based Resourcing exercise is repeated in future then we recommend that this takes place earlier, with better Cabinet Member engagement and greater consideration of wider implications (EIAs).

Equality Impact Assessments

16. We were pleased to see that [Equality Impact Assessments](#) (EIAs) were published in good time this year and we recognise that significant improvements had again been made. We found EIAs invaluable in helping us to understand the impacts of specific budget reductions and were encouraged that Cabinet Members had taken EIAs into consideration. However, we found no evidence that any budget proposals had been changed as a direct result of EIAs.
17. We would like EIAs to continue to be embedded into the budget setting process. Areas for improvement that we have identified include; consideration of rural and urban issues within EIAs, ensuring that EIAs are produced on the basis of a correct reading of the budget proposals, and EIAs relating to previously agreed savings being made available once a plan is in place to achieve these savings.

Budget presentation

18. We appreciate that producing draft budget proposals in an accessible format is very difficult to do given the time constraints. The first issue of the draft budget papers contained some errors, such as inflation being labelled as demography and some budget adjustments appearing within the wrong portfolios. We were grateful for efforts to improve the presentation of information and correct these errors. Further improvements we requested were the inclusion of portfolio base budgets after adjustments and before one-off Special Items, the inclusion of base budgets at activity level, and explanation as to whether budget adjustments were new or agreed in previous years.
19. We recommend that further details of the Council's overall finances, including Corporate Costs and projected outturn information for each portfolio, should be included in the budget paperwork.
20. We found that a number of budget lines appeared against specific services but were explained as relating to wider service restructures that would not directly affect those particular services. We also found examples of budget lines that were labelled as Service Reductions but were explained as having little or no impact on service users, and therefore should have been labelled as Service Efficiencies.
21. We would also like to see further distinction being made between Additional Income and Service Efficiency/Reduction. While we appreciate that additional income figures may

appear in red for accounting reasons, this seems almost counter-intuitive and perhaps a different colour could be used to distinguish income from savings.

Recommendation 4 – We recommend that a) A brief guide to ‘understanding our budget’ is produced that explains acronyms, definitions and what information is being presented; b) Further information about the Council’s overall finances and portfolio outturn projections is included in the budget paperwork; c) EIAs continue to be improved through the consideration of rural and urban impacts, and EIAs relating to previously agreed savings are published when a plan is in place to achieve these.

Budget consultation

22. We were encouraged that the [Budget Consultation](#) received the highest number of responses to date. We noted that Adult Learning was the top service where residents were more willing to see cuts. However, the Cabinet Member for Education and Skills explained that as this is centrally funded, there was very little scope to make savings.

Recommendation 5 – We recommend that the recent good work in improving participation and representation in the Budget Consultation is continued. Options for savings given in the resident consultation should be limited to areas of discretionary spend where funding cuts would be feasible in practice.

LOOKING AHEAD

Council Finances

23. Over the Medium Term Plan (MTP) period, the Council’s net operating budget reduces from £328.2m in 2014/15 to £317.1m in 2017/18. Over this period, Council tax increases as a proportion of the Council’s overall funding from 68.1% to 76.4%, while the Revenue Support Grant reduces from 15.3% to 7.6%.

24. The budget proposals include some drawing down of reserves to fund one-off income generating projects but by the end of the MTP period, the Council’s reserves are projected to remain healthy at approximately 7.5% of revenue spend.

Recommendation 6 – We recommend that Cabinet consider whether in the current climate there is a case for allocating unspent contingencies to fund one-off investment in assets that support the Council’s strategic priorities.

Strategic Plan

25. We welcome the Leader’s realistic appraisal of the deliverability of the Council’s [Strategic Plan](#) and were encouraged that Cabinet Members could demonstrate clear linkages between the Strategic Plan and their portfolio spending plans. We support the proposed amendments to the Strategic Plan to include a new objective to ‘Prevent sexual exploitation of children and young people and help those affected’, and to include additional wording around the integration of health and social care. While it is

regrettable, we recognise that the objective to 'improving the public realm in market towns and villages' is no longer a feasible priority.

26. We share Cabinet Member concerns that a number of proposed spending reductions are potentially contrary to the Council's stated priorities and objectives. A particular concern relates to strategic priority 6 'To encourage people to do more for themselves whilst providing a safety net for the most vulnerable members of the population'. Where we are reducing spending on 'preventative' activities (e.g. short breaks for disabled children and Supporting People), there is a risk that these cuts could lead to more expensive and resource-intensive interventions. We feel it is important that the potential impacts of such cuts are captured in EIAs and that these are fully understood. However, we do recognise that difficult decisions have had to be taken and that Cabinet Members would rather this was not the case.

Future Shape

27. The Future Shape is a programme to radically change the way the Council operates to best meet the challenges of reduced funding and increasing demand for services. The Future Shape describes a small lean head office function and a number of semi-autonomous business units that have freedom to innovate, trade and generate income, providing services through a range of different delivery models (e.g. trusts, partnership arrangements, outsourcing). The Cabinet Member for Finance and Resources stated that the Future Shape programme would safeguard the long term viability of the authority. While a business case was not expected to go to Cabinet for sign off until February 2014 at the earliest, we were aware that significant resources had been allocated to developing this programme. We were therefore keen to understand what the impacts might be on the current portfolios and their spending plans.

28. We found that some Cabinet Members have varying conceptions as to what the Future Shape is and how it may affect their portfolios. However, we note that a lot of excellent work is taking place across all portfolios to make them more commercial and to deliver services in more flexible and cost effective ways. Recent examples include; the establishment of a Local Authority Trading Company; the Bucks Learning Trust; a Museum Trust; Community Libraries; an Alternative Business Structure for Legal Services; regional commissioning; and various income generation activities.

29. We welcome income targets where there are commercial opportunities but noted with caution a case where a significant cost pressure was built back into the budget because an income target had not been achieved. That said, we do appreciate that in a commercially minded Council, a degree of risk taking is necessary and not every innovation will be successful. A particular concern was that where income targets were proposed alongside funding cuts, reductions in headcount could damage efforts to generate income. If income targets are then not achieved, additional staffing reductions may further impede income generation.

30. We support moves to improve the way the Council operates and to deliver services in more innovative and cost effective ways to minimise service reductions. We also support continued efforts to improve contract management and develop commissioning and commercial skills within the authority.

Recommendation 7 – We recommend that a substantial review of Cabinet remits be undertaken if the Future Shape is agreed by Cabinet, to provide the public with clear and understandable lines of democratic accountability. In the meantime there may be a case for reviewing Cabinet remits where certain services (e.g. Planning, Advisory and Compliance) appear to cross two portfolios.

EXTERNAL WITNESSES

Community Impact Bucks

31. Community Impact Bucks (CIB) is a Buckinghamshire based charity that provides services to support voluntary groups, communities and volunteers across the county. Diane Rutter attended Budget Scrutiny to discuss how CIB and the wider Voluntary and Community Sector (VCS) may be impacted by the Council's draft budget proposals. Diane acknowledged that the process was made easier this year by the early publication of Equality Impact Assessments (EIAs).
32. Diane explained that there is a lot of social capital in Bucks. However, while levels of volunteering are rising, financial giving is falling. The recent Big Society Audit undertaken by the Civil Exchange think-tank found that there is a national shift taking place from public service to civil society, but that a significant proportion of VCS organisations are facing financial difficulties due to rising demands and reduced funding. Diane stated that this assessment is consistent with what she is hearing from VCS groups in Bucks. Less funding is now coming from outside the county (e.g. from the Big Lottery Fund), so the VCS sector needs more money from the County Council, not less.
33. A concern was raised about a £77k VCS funding reduction and the options for achieving this saving set out in a [Community Engagement EIA](#). Diane stated that CIB have already made efficiencies over the last two years through changing their business model and focusing more on providing online and self-help resources. Further reductions would either impact existing staffing posts that support the wider VCS sector, or mean that trustees will have to agree to not having a balanced budget in place, which is increasingly risky. The EIA states that this cut would be contrary to the Council's Strategic Plan commitments around supporting the VCS sector and continuing to support an increase in volunteering. A further concern was that reduced VCS funding may increase demand for statutory services. Diane also pointed out that being notified of cuts is not the same as discussing and addressing potential implications.
34. Diane advised that CIB had been consulted about how £250k of VCS development funding would be spent but cautioned that for some organisations, there may be too many hoops to jump through in order to access this funding.

35. Diane also raised a concern that cuts to the Supporting People budget may jeopardise the viability of some VCS organisations, suggesting that the [Health and Wellbeing EIA](#) could be clearer about how these organisations might be affected.
36. Diane was surprised to see reductions proposed to the Big Society budget as she was not aware what this funding was or how it was being used.
37. Diane explained that a restructure of Localities and Safer Communities may impact on communities but that she did not know what this impact might be. An EIA may be required once a plan is in place to achieve this saving if it is likely to have wider impacts.
38. We were surprised to hear that the County Council has not yet signed the revised Buckinghamshire Compact, which sets out how statutory and voluntary sector groups will work together in Buckinghamshire. However, the County Council remains a signatory of the original Buckinghamshire Compact.

Barnardo's

39. Michelle Kukielka from Barnardo's attended Budget Scrutiny to talk about the work of her organisation and provide her views on how the draft budget proposals may impact services for children. Barnardo's manage 16 Children's Centres in Buckinghamshire, a short breaks service, a family support service and a Child Exploitation Service. Michelle reported that she has an excellent working relationship with the Council.
40. Michelle explained that Barnardo's have made significant progress since taking over an additional five Children's Centres in 2013. We heard that Barnardo's have a streamlined management structure and that universal services are staffed by volunteers, so that paid staff can focus on targeted work to support families with the greatest needs. Barnardo's only commission out services that they are not able to deliver themselves for statutory reasons. Michelle confirmed that in her view, there is scope to achieve further planned efficiency savings from Children's Centres.
41. Michelle welcomed the increased focus on addressing Child Sexual Exploitation (CSE) and said that Buckinghamshire has been ahead of the game in this respect since 2006. These problems are concentrated in Aylesbury, Chesham and High Wycombe. A lot of joint working and awareness raising activities are taking place to address CSE and Michelle wants to be able to reach every school in Buckinghamshire.
42. Michelle's biggest concern within the budget proposals was the reduction to the Little Breaks Service for children with disabilities. In particular, that this could increase the demands on social care. Officers have been open about this saving and Michelle is working with them to look at alternative plans.

Bucks Business First

43. We were grateful to Alex Pratt OBE of Bucks Business First for providing a written submission commenting on the draft budget proposals. Bucks Business First is the local authority's outsourced provider of Economic Development activities.
44. In response to a question about key issues that businesses need support with, Alex stated that 'a functioning, reliable, unclogged road system is of critical importance to the economy and our competitive position'. However, this is not the only issue that business needs support with; 'investment in digital infrastructure is a top priority'.
45. In terms of where savings could be made, Alex stated that the local authority should 'consider using appropriate Buckinghamshire businesses wherever possible to service their requirements instead of maintaining large internal teams...the concept of looking for additional income from commercial services itself to maintain current staffing levels puts them in direct competition with the business community they seek to support'.

Budget proposals

46. This section provides an overview of the policy direction and a commentary on the spending proposals for each portfolio, plus the Council's Capital programme.

Overview

47. We held a session with the Leader of the Council early in the Budget Scrutiny process to seek his views on the big issues, themes and challenges within the draft budget proposals. This was very useful in setting the context for the remaining sessions.
48. The Leader explained that, unlike central government, the local authority is bound to produce a balanced budget at a time when funding levels are uncertain and reducing, and demand for services is rising. Residents were consulted on their views about possible Council tax increases of 2%, 4% and 5% (with the funding over 2% ring-fenced to roads for four years). Cabinet came to the view that there was not an overwhelming enough mandate to warrant taking the risks associated with a referendum.
49. To minimise service reductions, the Leader stated that where possible services will continue to be provided but at lower cost, by doing things differently or generating income. Recent examples include Community Libraries and community-run Youth Clubs and Day Centres. When asked whether a more commercial approach could damage local businesses, the Leader responded that competition should be fair.
50. Within the budget proposals, the Leader highlighted cuts to weed spraying and grass cutting as being difficult decisions because they have the potential for high impact amongst residents. The Leader also cited cuts to short breaks for disabled children as being particularly difficult. In terms of good news, the Leader highlighted the new focuses on integrating health and social care and addressing child sexual exploitation, along with the retention of New Homes Bonus funding.

51. The Leader stressed that roads remain a personal priority and while we have spent £50m over the last 3 years, this is not enough and we will need to maintain a significant roads programme over the next 10 years. We have budgeted to spend £10m per year on roads but the Leader would like to see a programme of at least £15m per year.
52. We note the various arguments for and against prudential borrowing. We recommend that Cabinet considers all options for financing a long term programme of road improvements and identifies the least bad option. While a prudential borrowing business case may not stack up in purely financial terms, short-medium term interest rates are more favourable now than they are likely to be in future, which does present a relative opportunity. We note that £50m of Funding from Waste Reserve is due to be spent on the Energy from Waste project in 2016/17, and consideration should be given to spending all or part of this funding sooner on roads, and borrowing more for Energy from Waste. Another option to explore is the issuance of municipal bonds. These provide bond-holders with low risk investments that mature after a set number of years, and the revenues generated could be used to finance local infrastructure improvements.

Recommendation 8 – We recommend that Cabinet commits to improving rather than maintaining the current condition of Buckinghamshire’s roads. All options for allocating a level of resources that will achieve this should be explored. As short-medium term borrowing rates are historically low, we recommend that consideration is given to prudential borrowing to take advantage of this opportunity. Consideration should also be given to the issuance of municipal bonds and to any other options for funding an enhanced long term programme of Strategic Highways Maintenance.

Health and Wellbeing

53. Health and Wellbeing is the largest portfolio and the only one to increase as a proportion of Council spending; from £114.7m (35.2%) in 2014/15 to £121.9m (38.6%) in 2017/18.
54. We heard that the 2% of the population who are aged over 85 accounts for 31% of spend, and that this population is projected to increase by 60% over the next 12 years. In addition to demographic pressures relating to an aging population, the government’s Care Bill is the biggest shake up in Adult Social Care since 1948 and poses a cost-threat to Buckinghamshire in the region of £30m. The integration of health and social care from 2015/16 is another huge issue facing the portfolio.
55. Despite these challenges, the Cabinet Member stated that the portfolio is fit for purpose and has a good story to tell. Substantial changes have taken place to the way that services are delivered. Day Centres are being transformed and a Local Authority Trading Company has been launched for Adult Social Care. The Prevention Matters programme has been established to manage demography pressures by helping people to live independently for longer, and a new Reablement Service provides additional support to hospital-leavers to reduce re-admittance. Benchmarking data shows that Bucks ranks highly in terms of quality and value for money, and £21m of efficiency

savings have been found in the last three and a half years. However, savings are becoming increasingly difficult to make and there are some risks in the budget proposals relating to vulnerable people. We also heard that the integration of Public Health from April 2013 has been broadly successful.

56. The most significant service reduction in the portfolio is a £750k cut to Supporting People budget in 2015/16. The possible impacts of this cut on vulnerable people are captured in an [EIA](#) and we share the Cabinet Member's concern that this reduction is contrary to the Council's Strategic Priority to support the most vulnerable. It is also likely to have a damaging impact on voluntary and community organisations. We recommend that the Cabinet Member seeks to protect as much of this funding as possible and ask that the Health and Adult Social Care (HASC) select committee consider looking into the impacts of this cut in greater detail.
57. A further concern is the cut to Discretionary Advocacy. This saving was identified before it was known that this type of advocacy would become statutory from 2015/16. We are concerned that there are risks around stopping advocacy provision in 2014/15, only to have to re-start these activities a year later.
58. We heard that the embedding of Public Health provides opportunities that could benefit all portfolios. Because Public Health only moved across from the NHS in April 2013, the costs of providing many services from within the local authority are not yet fully understood. Through closer working and cost sharing, the Public Health budget will in future support a number of activities that were previously funded by other portfolios.

Education and Skills

59. The Education and Skills budget is projected to decrease from £42.2m (13%) of Council spending in 2014/15 to £36.9m (11.7%) in 2017/18. Due to considerable pressure on school places, £33m has been allocated in the Capital programme to provide additional capacity, and a further £6.75m will increase provision for 2 year olds.
60. Education services are now becoming more commercial and although this comes with risks, the Cabinet Member feels that we are building on a sound base. The establishment of the Bucks Learning Trust is an innovative way of delivering school improvement services and will deliver cost reductions and income generation.
61. The Cabinet Member explained that his priority is to focus resources on services that affect performance in schools, with a particular emphasis on early years. We support this approach and were pleased to hear that resources are being targeted accordingly. Further priorities include closing the attainment gap, preparing children for secondary school, and young people who are not in employment, education or training (NEET).
62. We heard that of the existing £44m revenue budget, £26m is focussed on student performance and £18m is spent on client transport, of which £2m is Adult Social Care transport, £6m is Special Educational Needs (SEN) transport and £10m transports

10,000 students to and from school. 6,000 of these students pay towards their transport but are also subsidised by the Council to the tune of £600 per year. The Cabinet Member will explore ways of providing home to school transport differently and that these changes will impact on parents. A dialogue will be held to capture parent views on how savings can best be achieved. The Cabinet Member stated that Bucks have previously been very generous in terms of choices and services offered to parents. These are now being removed and charges will increase. The Cabinet Member will explore how the operation of services can be improved without impacting parents of SEN children.

63. We were concerned that teams such as Children's Partnerships, Educational Psychology and the Family Information Service are facing budget reductions which will impact headcount, while also being asked to generate income. We queried whether this could be self-defeating, particularly in the event that income targets are not reached and headcount is then further reduced. We were encouraged that the Cabinet Member identified these savings as preferred buy-backs.

64. A further concern is that that young people who are NEET may be affected by the re-commissioning of the Connexions service. We urge that the Cabinet Member explores how to mitigate the adverse impacts on service users that are set out in the [EIA](#).

Recommendation 9 – We recommend that further consideration is given to how the potential impacts of Connexions re-commissioning set out in the EIA, such as 'a reduction in service levels and accessibility of Connexions services', can be mitigated to minimise any effects on young people who are NEET.

Children's Services

65. The Children's Services portfolio is projected to remain relatively static as a proportion of the overall revenue budget, with spending of £40.4m (12.4% of total) in 2014/15, reducing to £38.8m (12.3%) by 2017/18. As services are demand led, there is a higher risk of overspend compared to other portfolios.

66. Buckinghamshire has an increasing population of young people and this growth is disproportionately located in areas of deprivation. The Cabinet Member explained that as a consequence of these demographic pressures and issues such as substance abuse, mental health and domestic abuse, more children are being taken into care and remaining in care for longer. Further issues facing the portfolio are an increased number of over 16s who are in care due to risky behaviours and self-harm, and an increased number of unaccompanied asylum seekers arriving in Buckinghamshire. In this context, it is increasingly difficult to protect discretionary preventative services.

67. While it is not possible to predict the demand and nature of care placements, the Cabinet Member is seeking to change the balance as there is currently an over-reliance on expensive residential placements. We heard that efforts are being stepped up to

increase the number of in-county foster carers as an additional 60 are needed. We support efforts to improve our 'offer' to potential foster carers and social workers.

68. The Cabinet Member explained that cuts to short breaks for disabled children are not comfortable and come with the risk of having to make more expensive interventions as a consequence, as set out in the [EIA](#). We were encouraged to hear the Cabinet Member state that there are opportunities to reconfigure the service in a way that will benefit more families. We also welcome plans to implement a more realistic charging policy, as it is uneconomical to collect the current charge.

Planning and Transportation

69. The Planning and Transportation budget will remain at 8.3% of total revenue spending throughout the MTP period, falling slightly from £27.1m in 2014/15 to £26.3m in 2017/18. Spending on infrastructure that improves the Council's assets, such as road resurfacing, appear in the Capital programme, and this spending totals £64.3m over the 4 years, including £40.7m for Strategic Highways Maintenance.

70. The Cabinet Member explained that there are no easy savings left to be found. Some of the proposed cuts are likely to be controversial and will require greater involvement from local people. There could also be further streetlight switch offs. Strategic Highways Maintenance funding of £10m per year is not enough and represents a significant reduction compared to the £50m that was spent over the last 3 years. The Cabinet Member stated that she would be in favour of prudential borrowing to fund road improvements, subject to a robust business case.

71. We raised concerns about the deployment of Local Area Technicians (LATs) as we felt that keeping 50% of LATs in the office is a waste of trained resources, and that these tasks could possibly be undertaken more appropriately by less expensive administrative staff. The Cabinet Member explained that while LAT areas have changed to better reflect Member division boundaries, they have not been made larger.

72. The increased focus on Footways is welcome but we are concerned that Members will not be able to influence how this funding is used, so we would welcome greater flexibility in how funding for Member schemes can be spent. We heard that weed-spraying is being cut because it is ineffective. However, we recommend that the timing of sprays is improved in the first instance to reduce the risk of increased damage to footway assets.

73. We recommend and share the Cabinet Member's view that allocating additional resources to Strategic Client would provide increased reassurance that we are extracting best value from the Transport for Bucks contract and improving services.

74. We noticed that there is a cost pressure relating to the maintenance and replacement of additional traffic signals. We ask that the Cabinet Member for Planning and Transportation considers the issue of traffic lights and whether there are opportunities to

reduce costs through the installation of cheaper alternatives where it is safe and reasonable to do so.

75. Inflation on highway works is expected to cost an additional £500k each year for 3 years and then remain static in year 4, and we were surprised to hear that these costs were calculated last year and are not updated annually.

Recommendation 10 – We recommend that significant inflationary costs across all portfolios are re-modelled and updated annually to best reflect current estimates.

Finance and Resources

76. The Finance and Resources portfolio is largely internally-focused and includes a range of services that support the rest of the organisation, including Property, ICT, Human Resources and Finance and Commercial Services. The revenue budget reduces from £26.4m (8.1%) in 2014/15 to £23.7m (7.5%) in 2017/18. A further £22.9m over 4 years is allocated in the Capital programme for upgrading the Council's property assets.

77. The Cabinet Member explained that his two biggest challenges are the agreement and further development of the Future Shape programme and delivering the Corporate Landlord project. The Corporate Landlord project brings the Council's property assets together under central management.

78. We heard that each part of the portfolio is being challenged to generate income and reduce costs. Where services are trading externally, they need to be as good as those available on the open market. The Cabinet Member also believes that we need to improve the marketing and commercial skills within the organisation to maximise the potential benefits of taking a more commercial approach.

79. We were concerned about plans to halve funding for the graduate programme from 2015/16, given the talent and enthusiasm that graduates bring to the organisation and the age profile of the Council's workforce. We would welcome efforts to fund four graduate placements from within the reduced budget, rather than three.

Recommendation 11 – We recommend that the Cabinet Member for Finance and Resources considers our approach to property management and what can be learnt from the Aylesbury Vale Estates partnership model.

Environment

80. Revenue spending on the Environment portfolio is projected to reduce by one third, from £20.8m (6.7%) in 2014/15 to £13m (4.1%) in 2017/18. The majority of this reduction is expected to be achieved through service efficiencies. A further £196.7m is allocated in the Capital programme, of which £184m will fund the Energy from Waste plant.

81. We heard that the Energy from Waste project is currently on time and on budget and that efforts are ongoing to ensure that two waste transfer stations will be in place to support this. This facility will massively reduce the Council's landfill tonnage.

82. The Cabinet Member stated that the portfolio is becoming more business-like and Officers are being pushed to explore ways of generating income by doing things differently. For example, the Cabinet Member believes that income could be generated by charging for sustainability advice, and is therefore reluctant to reduce this service by £69k. We note the good work taking place within this portfolio, including income being generated for South Bucks Hospice and used white goods being given to care leavers.
83. We also heard that a lot more could be done to join up waste services with the four District Councils, although there are currently contracts in place with different providers.
84. We were surprised to learn that flooding and statutory climate change responsibilities sit within the Planning and Transportation portfolio, when intuitively we assumed that these would be within the remit of the Environment portfolio.

Recommendation 12 – We recommend that the Cabinet considers how best to step up efforts to explore and progress further joint working opportunities with partners, particularly where savings are potentially high, e.g. joining up waste and planning services with the District Councils.

Community Engagement

85. The Community Engagement portfolio includes various community-facing services including Libraries, Community Safety, Customer Contact, Trading Standards, Locality Services and support to the Voluntary and Community Sector (VCS). This budget reduces from £13.1m (4%) in 2014/15 to £11.8m (3.7%) in 2017/18.
86. We heard that the Cabinet Member's priorities in setting the budget were to protect Community Safety, Local Area Forums and support the VCS, to embed the principles of 'Think Customer' and to ensure that the County has needs-based and cost effective Libraries that serve as 'one stop shops' for local communities. £500k has already been saved from Communities Libraries and while no closures are planned, there will be a greater reliance on volunteers in Council-retained libraries. Headcount in Customer Contact has been reduced by 9 posts through improved technology.
87. We were concerned that a number of specific budget lines within this portfolio, including Service Reductions, were explained as being achievable through staffing restructures that are expected to have little or no direct bearing on services to the public. We feel it's important that savings are labelled correctly and where cross-portfolio savings are being achieved, these should be accurately reflected in the budget paperwork.
88. A further concern was around the £77k reduction to VCS support. The [EIA](#) sets out 2 options for delivering this saving that both include reduced funding to Citizens Advice and support to VCS and parish and town Councils. While we agree that all spending should provide value for money for taxpayers, we agree with Diane Rutter and the EIA

that these reductions would be contrary to the Council's Strategic Plan commitments, and may hamper efforts to devolve more services to the local level.

89. The budget proposals include an additional £250k in one off VCS development funding. We heard that this will enable VCS organisations to access qualified consultants. The Cabinet Member provided reassurance that this funding would remain in-County and that the revised Buckinghamshire Compact will be considered once the Council's budget has been agreed.
90. The Cabinet Member explained that the Big Society budget is being reduced down to zero by 2015/16. We queried why CIB were not aware of this funding. The Cabinet Member explained that this budget was used to set up innovative community projects but that take up had been poor.

Recommendation 13 – We recommend that there is a re-energising of efforts to devolve further competencies to parish and town Councils where it benefits both parties and makes financial sense to do so. There should be a clear offer as to what further devolved opportunities and financial support there could be in future.

Leader

91. The Leader's portfolio includes Economic Development and the Council's Policy, Performance and Communications functions. Revenue spending on this portfolio will fall from £5.8m (1.8%) in 2014/15 to 4m (1.3%) in 2017/18.
92. Funding for Economic Development is being reduced from £1m per year to £500k, of which approximately £400k will go to our outsourced provider, Bucks Business First. We heard that while this was a difficult decision, Economic Development funding is actually returning to its pre-recession level. We queried whether more could be done to attract large employers to Bucks, given that substantial housing developments are planned in the north of the County. The Leader responded that this would require land availability close to major highway connections and that a comprehensive strategic plan is needed for the Aylesbury area. The Leader explained that cuts to Policy, Performance and Communications will be really difficult and that headcount will reduce.

Capital

93. The Capital programme totals £386.5m over 4 years, of which more than half will be spent in 2016/17 on the Energy from Waste Plant.
94. The Deputy Cabinet Member for Finance and Resources updated us on the refresh of the Council's Capital Investment Strategy, which will be presented to the Council's Business Investment Group in February before going to Cabinet for approval. Key objectives within the new strategy are to; 1. Ensure that the Council has fit for purpose and well maintained assets, 2. Ensure that assets contribute to income generation wherever possible, and 3. Address the maintenance backlog which is currently around £200m, mostly relating to the roads network. The new strategy also moves away from

disposal of assets by default and is more open towards prudential borrowing to fund income generating investments. We support the new Capital Investment Strategy, and recommend a more robust approach to risk management.

95. A business case for prudential borrowing to fund road improvements would have to be produced by the Planning and Transportation portfolio and demonstrate that the costs of borrowing could be covered by revenue savings on maintenance. The Deputy Cabinet Member agreed that there is a very strong argument for borrowing now while short-medium term interest rates are low, based on a sound business case.

96. The Deputy Cabinet Member highlighted the risk that Integrated Transport Funding will transfer to the Local Enterprise Partnership (LEP) in 2015/16. This will not be ring-fenced so there will be a loss of control over this funding.

Recommendation 14 – We recommend that Prince2 methodology is used throughout the Capital process and that all business cases are prioritised on a scoring basis. We recommend that consideration be given to whether there are opportunities to do things differently or work more closely with partners on property issues (e.g. sharing existing office space rather than building new offices).

CONCLUSIONS

97. While incremental improvements have been made to the budget setting process and the presentation of information in recent years, we have recommended how a greater degree of accessibility and transparency could be achieved.

98. We were pleased to find that on the whole, portfolio spending plans are consistent with the Strategic Plan and broadly fund the Council's priorities. We recognise that in the current financial climate, a number of difficult decisions have had to be taken. We have identified specific budget reductions that risk being counter-productive and we recommend that these are considered for buy-backs if additional resources can be made available as expected.

Recommendation 15 – In the event that additional resources are available in the base budget, we recommend that the following areas should be considered a high priority for buy backs, partial buy-backs or additional spending:

- a) Supporting People (750k from 2015/16) in Health and Wellbeing. We recommend that the Cabinet Member for Health and Wellbeing explores ways of protecting this funding to minimise adverse impacts on vulnerable people, the local voluntary and community sector and other Council services.***
- b) Discretionary Advocacy (£44k) in Health and Wellbeing. We recommend a buy back on the basis that these activities become statutory in the Care Bill from 2015/16. If a buy back is not possible, we recommend that the Cabinet Member explores how to fund discretionary advocacy from within existing budgets.***

- c) Children's Partnership Team (£75k in 2014/15 rising to £237k in 2016/17) in Education and Skills. We recommend that activities supporting Child Poverty and vulnerable groups are protected. If this is not possible then we recommend that the Cabinet Member for Education and Skills explores how these activities could be done differently at lower cost rather than stopped.**
- d) Short breaks for disabled children (£430k in 2014/15 rising to £480k in 2015/16) in Children's Services. We recommend a buy-back to protect services that prevent additional families from requesting social care assessments.**
- e) Local Area Technicians (LATs) (unspecified) in Planning and Transportation. We recommend that savings aren't achieved through reducing LAT posts, and that the policy of keeping 50% of LATs in the office be reviewed to ensure that they are used to their best capacity.**
- f) Weed spraying (201k) in Planning and Transportation. We recommend a buy-back of this proposed saving. We also recommend that TfB improve their programme management of this service so that weed spraying is undertaken in May and September only.**
- g) Strategic Client (unspecified) in Planning and Transportation. We recommend that sufficient additional resource is allocated to provide effective management of the contract thereby ensuring best value for money (para 73).**
- h) Voluntary and Community Sector (£77k) in Community Engagement. We recommend that funding to Community Impact Bucks and BMKALC is protected so as not to impact staffing posts that support the voluntary and community sector, or parish and town Councils respectively.**

99. It became clear during our evidence gathering that roads remain a key issue for residents, businesses and Members. The proposed level of spending on Strategic Highways Maintenance is widely considered to be insufficient and is unlikely to achieve noticeable improvements to the road network. Whilst we agree with the Leader that it is a 'wicked problem' with no easy solutions, we feel that more needs to be done to increase this funding to a level that will make a difference to the overall condition of Buckinghamshire's roads. More thought should be given to prudential borrowing given that short-medium term interest rates are lower now than they are likely to be in future. We also recommend that Cabinet give consideration to municipal bonds and any other options for funding asset improvements, with a view to pursuing the least bad option.

100. Our recommendations are for Cabinet to consider and, if agreed, we look forward to monitoring implementation over the year ahead.