



Buckinghamshire County Council

Finance, Performance & Resources
Select Committee

2015/16 Budget Scrutiny Inquiry

The Finance, Performance & Resources Select Committee

The Finance, Performance & Resources Select Committee is appointed by Buckinghamshire County Council to carry out the local authority scrutiny functions for all policies and services relating to these areas.

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Bill Chapple
Trevor Egleton
Steven Lambert
Val Letheren (co-opted)
Angela Macpherson (co-opted)
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Executive Summary

As in recent years, ever increasing financial pressures and escalating demand from the public provide the context for this year's budget setting process. Difficult decisions have been made by Cabinet Members around priorities and how they are to be funded. In order to keep on targeting diminishing resources effectively, the committee took the view that a focus on outcomes, alongside a more considered view of risks, should be adopted when setting budgets for the next financial year.

In response to the challenging circumstances, the Future Shape programme aims to place the Council on a sustainable footing, able to provide the quality services that residents have come to expect through the establishment of Business Units that can innovate and identify efficiencies. However, a key finding of the budget scrutiny process is that not all of the Cabinet Members have sufficient understanding of the programme and what it entails for their respective portfolios.

Borrowing to fund road building was again a line of enquiry addressed by the budget inquiry, it being viewed by the committee as preferable to the use of reserves, especially in the current era of low interest rates. On all major capital schemes, the committee took the view that specialist project managers should be utilised to ensure that capital slippage (failure to spend money to agreed timescales) is minimised.

Challenges facing social care were explored, including the response to the implementation of the Care Act and remedial action being taken in Children's Services following the 2014 Ofsted review. Recommendations made around this cover the development of the reablement provider marketplace in the county and the recruitment and retention of social care staff.



1. Recommendations

1. The outcomes based budgeting methodology should be finalised and agreed by Cabinet in time to be used fully in the 2016/17 budget setting process.
2. Consideration of risks, including use of the Council's risk registers, should form an integral component of every stage of the 2016/17 budget setting process and subsequently, with budgetary allocations being considered in terms of impact on risk profile.
3. All reductions to voluntary sector funding, regardless of amount, should be subjected to an assessment of impact on service delivery covering the impact of removal on the resilience of both the organisation and services it provides.
4. We recommend that major capital programmes should be project managed by specialists, obtaining private sector support if in-house expertise is not available, thus minimising capital slippage to the greatest possible extent.
5. We recommend that a full options appraisal evaluating the value for money argument for prudential borrowing as a means to fund road improvements should be submitted to a Cabinet meeting at the earliest opportunity.
6. Measures to improve the speed and ease of the Council's recruitment and retention process for social work staff, in conjunction with efforts to reduce the reliance on agency staff in social care, should be implemented urgently.
7. The reablement provider marketplace should be developed in Bucks, both to provide the County Council with a range of alternative providers, but also to subject Bucks Care to commercial pressures that would fuel innovation and provide an incentive to further drive down costs.
8. The support costs for Local Area Forums and accompanying rules and procedures should be reviewed to consider the case for further efficiency savings, in particular to consider the appropriate ratio of support costs in comparison to the grant funding provided by LAFs. There should be no further reductions in Local Area Forum grant in this year's MTFP. Further grant funding reductions serve to highlight the disproportionate overhead costs of supporting LAFs for the County Council.
9. An options appraisal for the use of the residual heat from the Energy From Waste plant as an income stream should be considered by the Cabinet at the earliest opportunity.



2. Inquiry Context

The National Context

1. On 3rd December the Chancellor presented the 2014 autumn statement in which he described some growth in the face of continuing global economic challenges. Key figures presented included GDP forecasts of 3% for 2014, representing an upgrade on previous expectations.

2. Forecast GDP growth for the following three years was referred to as 2.4%, 2.2%, 2.4% and finally, 2.3% in 2018/19. Inflation rates were stated to be 1.5% in 2014, then 1.2% and 1.7% in the following two years.

3. Against this backdrop, departmental cuts across government have averaged 8% since 2010,¹ with much deeper reductions to services falling outside of the budgetary ring-fence that includes schools, the NHS and international aid.

4. Local government funding, alongside justice and the foreign office, is amongst the most greatly affected, with reductions of over 25% since 2010. Reductions to the communities budget equated to 45% over the same period.

5. Whilst the financial supply is reducing, demand from the public is increasing. In Buckinghamshire the proportion of older people is expected to increase from 17% to 22%, a slightly higher rate than for the rest of the South East.²

6. Expenditure on adult social care is impacted significantly by this, as is that of partners in the health and wider care sectors. Whilst the NHS has been within the

¹ *The Economist*, 29/11/14, p. 27

² *Understanding Bucks*, p. 8



government's ring-fence – enjoying a real terms increase in its budget – it still faces a funding shortfall of £8 billion by 2020.³

7. In addition to this, housing growth in the county places pressure on school places and services for children and young people. Demand is therefore increasing across the spectrum of services, from pre-birth through to end of life care.

8. None of the council's partners are unaffected by the straightened financial situation – Thames Valley Police, Clinical Commissioning Groups and others, including the voluntary sector, are all facing the reality of constrained or reduced budgets and ever-increasing demand.

The Local Context

9. Despite wider economic pressures, Buckinghamshire remains one of the most prosperous counties in England, with much better educational attainment and lower levels of poverty and unemployment than the national average; it also benefits from proximity to London and a highly skilled workforce.⁴

10. To maintain this position the authority has to respond flexibly to an ever-changing set of demands arising from issues such as:

- a) The number of residents reporting a long term health problem or disability (in 2011) increasing by 11% since 2001⁵
- b) The number of trips made in Buckinghamshire is forecast to grow by 28% between 2010 and 2026⁶

³ *The Economist*, 29/11/14, p. 27

⁴ *Understanding Bucks*, p. 12

⁵ *Ibid.* p.7

⁶ *Ibid.* p. 20



- c) Key economic weaknesses, identified by the Local Economic Partnership (LEP), including:
- i. transport connectivity and congestion;
 - ii. the poor work readiness of young people;
 - iii. local unavailability of graduates;
 - iv. a lack of high growth business start-ups
 - v. and issues around broadband rollout.⁷

11. It is commonly accepted that members of the public continue to raise their expectations of the services they receive. There are also greater means for them to articulate their views than ever before, including resident surveys, complaint procedures and social media.

12. We understand from the latest available data (2008) that 86% of survey respondents in Buckinghamshire are satisfied with their local area as a place to live, placing the county third highest of all South Eastern local authorities⁸ - a high standard to maintain for the County Council and its partners.

13. Respondents consistently place road maintenance at the top of their priority list, with 70% considering the conditions of the roads to be most important for them personally. Other priorities include the protection of the vulnerable and preservation of the environment.

14. The County Council benefits from a reasonable level of insight into the profile and needs of residents and the county itself is in a strong position relative to the rest of the UK. As ever when planning services and setting budgets, the challenge is to

⁷ *Understanding Bucks*, p. 15

⁸ *Ibid.* p. 22



meet the needs of residents whilst balancing often conflicting priorities and pressures.

15. The budget scrutiny process provides a level of assurance to the public that this difficult task is being addressed by Cabinet with the level of consideration and rigour necessary to maintain the county as one of the best places in the UK to live.

3. Leader

16. The Leader described how in February 2014 he proposed a budget which he felt prepared the authority well for the difficult environment it faced. His view was that it was a good budget which faced up to many challenges with appropriate contingencies set aside to mitigate major risks.

17. Despite his confidence he described how big challenges had arisen in the meantime. In terms of the Ofsted verdict on Children's Services, work had been undertaken to address the situation which had resulted in the allocation of significant additional financial resources to the service.

18. Amongst the key challenges facing the authority were looking after older people and those with learning disabilities, with significant additional challenges arising as a result of the Winterbourne view situation, which had resulted in the move of people out of institutions into the community and ultimately into local authority care. Rapid population growth has resulted in an increasing demand for school places.

19. The strategic plan had been used as a 'guiding point' for the way resources had been allocated, with an outcomes based view of each portfolio taken. A 'differential' approach to setting the budget had been adopted on a portfolio-by-portfolio basis in an attempt to avoid a salami slicing approach.



20. Despite this - based on testimony we heard during the scrutiny hearings - we concluded that there was some suggestion that a 'salami slicing' approach had been taken in certain areas across the portfolios. This goes against the principle of setting budgets on an outcome basis, which we agree should be the method adopted as quickly as possible.

Recommendation 1

The outcomes based budgeting methodology should be finalised and agreed by Cabinet in time to be used fully in the 2016/17 budget setting process.

21. In terms of the presentation of financial data across the portfolios, both the lack of granularity in the figures and the fact we were presented with net budgets made our scrutiny role more difficult; our preference would have been for revenues, grants, costs and taxes to have been identified separately. However, we recognise the difficulty in achieving the correct balance between providing sufficient details and making the budget accessible to a general audience.

22. Additionally, we believe that the consideration of risks was not apparent enough in the budget setting process. There was little evidence of the sharing of risks between portfolios and of there being an overall awareness of the totality of risks inherent within the 2015/16 budget, not least the possibility of further major reductions in funding after the general election. Deeper analysis of risk should accompany analysis of opportunity, especially around innovation and income generation; there should also be a clearer understanding of each portfolio's 'Plan B', should major risks become a reality.



Recommendation 2

Consideration of risks, including use of the Council's risk registers, should form an integral component of every stage of the 2016/17 budget setting process and subsequently, with budgetary allocations being considered in terms of impact on risk profile.

23. We were informed that the Future Shape Programme would determine how the Council operates with a change in structure and the development of Business Units under various business structures. The programme would be extremely challenging and aimed to make savings of £7.6 million. The benefits would be a culture change with increased cost scrutiny, increased value for money and more flexibility through the different service delivery vehicles. The Business Units would not just focus on profit but would provide good value for money and high quality services.

24. We queried whether Delivery Units would be allowed to fail and whether not allowing them to fail would place private and voluntary sector providers at a disadvantage. The Leader responded that the Council had a responsibility both to Business Units and to provide services to residents. If they proved to be uneconomic they would look to subsidise their costs or look at more efficient ways to deliver.

25. He referred to the Legal Services Alternative Business Structure - one of the first of its kind – which was working with Harrow to provide a broad range of legal services. The Council would be able to provide support to Business Units through its Senior Managers and its skills and expertise. The Council would need to improve the commissioning and contracting skills of its staff and training was being provided to achieve this.



26. Future Shape is a fundamental change in the structure of the organisation, yet across many of the portfolios there was an obvious lack of awareness of the impact of savings to be made under the programme. We were also concerned at the lack of buy-in to the Future Shape apparent in some Cabinet Members' testimony to the committee.

27. We were also concerned that there was little or no evidence of Cabinet Member action plans being in place now, ready to achieve the transformation savings which the 2015/16 budget assumes will commence from 1st April 2015. Action should be taken immediately to address this.

28. We noted the recent announcement around the proposed strategic collaboration between Oxfordshire, Northamptonshire and Buckinghamshire County Councils in the realm of economic development. As this announcement had just been made we were able only to make tentative enquiries at this stage.

4. Voluntary Sector

29. We were pleased to welcome Paul Gosling of Citizen's Advice Bureau (CAB) Consortium and Diane Rutter and Katharine Woods of Community Impact Bucks (CIB) to participate in this year's budget scrutiny review. We were informed that there were around 2000 registered charities in the county with CIB as one of six major infrastructure organisations in the area, including:

- Heart of Bucks
- The Clare Foundation
- Engage
- Action for Youth
- Bucks Sports Partnership (LEAP)



30. As an infrastructure organisation, CIB's role was described as:

- a) To provide information and advice to voluntary and community organisations on matters such as sustainability, the development of business plans, governance, funding, etc.
- b) To act as a conduit for info flowing both ways between government and grass roots organisations
- c) To support others to fill the gaps where previously there was no provision; e.g. the organisation won the contract to set up HealthWatch. It has also worked with commissioners to develop service specifications
- d) To aim to be a leader within the voluntary sector in Buckinghamshire

31. We were informed that CIB had its own significant budgetary pressures which had led it to the adoption of more innovative approaches and attempts to reduce its dependency on public sector funding. A three-tiered business model had been developed, which ranged from universal services such as the production of a self-help guide for VCS organisations, through to the provision of diagnostics and more intensive one-to-one support.

32. The congruence between the council's plan and that of the CIB was stated by the attendees. Getting individuals involved locally was core to their business, as was the development of a thriving economy, the provision of a safety net and the development of the potential of young people, all of which feature prominently in the council's plan. A key point of interest was their belief that voluntary sector provision could be delivered at a lower unit cost than some of the council's in-house services.

33. However, the organisation had been unable to establish a clear idea from the budget paperwork what impact would arise on the voluntary sector. Within the Equality Impact Assessments (EIA) this year, a section had been removed which in



previous years detailed impact on the voluntary sector. Of greater concern to us was the case study given in which a relatively small amount of money (£7.5k) granted to a young carers' club had been removed for 2015/16.

34. The organisation concerned is entirely volunteer-run, providing support for 32 young carers. Our shared concern with CIB is that such preventative services are rendered unviable by the removal of small amounts of funding, leading potentially to greater pressure on higher tariff services such as social care.

35. The impact is compounded when money from the council is match funded from elsewhere or is used in different ways to lever other funds. However, the impact of such relatively small cuts is missed by setting the threshold for an EIA at £100k, as is the case this year.

36. We believe that voluntary and community groups play too valuable a role in the county to have the full impact of cuts in funding to the sector go unassessed. It is also counterproductive to disinvest services that potentially keep demand off more expensive services such as social care and A&E.

37. Mr. Gosling of CAB Consortium provided us with useful insight into the work of CAB. He described the distribution of CAB services around the county: two branches in Aylesbury; one covered Buckingham and Winslow, another Chiltern and another High Wycombe. An outreach service covered South Buckinghamshire.

38. The organisation has successfully mobilised just over 300 volunteers in the Buckinghamshire area, but maintaining that number was challenging. They provide through their work for CAB a combination of general advice (on benefits, debt, housing, employment, relationships and healthcare) and specialist advice.



39. In 2014 CAB advised just over 14000 Buckinghamshire residents, with the impact of that benefiting many more in households where a single member of that home had received advice. The service aims to provide advice that people need, when they want it. It also lobbies to improve policies and practices that impact people. We noted that advice on employment and debt are the most commonly provided specialist services.

40. Mr. Gosling stated that in the budget paperwork there was no real detailed impact assessment at the departmental level. Nor was there an integrated impact assessment giving an idea of the collective impact of reduction, which would be more complicated but would provide a more comprehensive analysis. We are of the view that this further reinforces our recommendation to extend Equality Impact Assessment to cover all reductions to voluntary sector funding, irrespective of the funding amount.

Recommendation 3

All reductions to voluntary sector funding, regardless of amount, should be subjected to an assessment of their impact on the provider to ensure that other services are not lost as a consequence.

5. Finance, Performance & Resources and Capital Programme

41. We noted the intention to raise £4.5 million from a 1.99% increase to the council tax. This was juxtaposed against the £11.2m reduction in funding from central government.



42. The capital programme amounts to £324m total budget over the next three years. The budget is the first that has been prepared since the new Capital Investment Strategy (CIS) was signed off at Cabinet in September 2014.

43. The Deputy Cabinet Member described the three objectives of the capital programme:

- To own fit for purpose assets
- To make sure income is generated where possible
- To address the capital expenditure backlog

44. The CIS sets out a new gateway process followed by Business Investment Group when approving capital projects. The first stage gives an overall capital allocation to the scheme. The second stage requires the submission of a business case. The third stage is monitoring for the release of staged funding. A final stage is utilised for bigger programmes.

45. We welcome this enhancement to the governance of capital expenditure and hope to see improvements arising from it, especially given forecast £17.5m slippage this year, against £30m last year. £10m of slippage this year is unreleased capital where for various reasons the project isn't underway yet, such as Hughenden quarter. £1.7m in capital is to be spent on the new waste transfer stations.

46. We view capital slippage as an issue of key significance to the authority that should be subject to consistent oversight at senior managerial level. We expect the issue to be given sufficient attention at the new Strategic Asset Board and by the new Head of Strategic Assets when the post is filled; we therefore endorse efforts to address slippage in the programme, including the use of contractors where they bring the necessary expertise to deliver capital projects on time and to budget.



Recommendation 4

We recommend that major capital programmes should be project managed by specialists, obtaining private sector support if in-house expertise is not available, thus minimising capital slippage to the greatest possible extent.

47. We queried the amount it would take to bring roads back to an acceptable level and restated our view that borrowing should be the main funding method, as opposed to the use of reserves. We also noted several of the Cabinet Members had endorsed this view during the hearings and that successive budget scrutiny reviews had made this a recommendation. We restate this recommendation and go further in requesting that it be formally evaluated as an option in public by Cabinet.

Recommendation 5

We recommend that a full options appraisal evaluating the value for money argument for prudential borrowing as a means to fund road improvements should be submitted to a Cabinet meeting at the earliest opportunity.

6. Health & Wellbeing

48. The Health & Wellbeing portfolio absorbs the largest proportion of the authority's budget at approximately 40%. It is also impacted most directly by growing demographic pressures, the most significant being an increasingly aged population.

49. The Cabinet Member stated that the budget increase doesn't match demographic pressure facing the service, with heightened levels of demand across the portfolio, especially from older people and those with learning difficulties. Despite



this, she stated her determination that the quantity and quality of services should remain the same, although a severe winter could jeopardise this.

50. A focus of prevention underpinned the budget, utilising new assistive technology and reablement alongside more traditional ways of keeping people in their homes. The focus on prevention extended to campaigns such as 'Dry January', which promotes a break from alcohol after the festive period.

51. The risk register was monitored regularly with the Cabinet Member and senior officers maintaining oversight. Key developments within the service area include the introduction of the Better Care fund, which involves working in more integrated way with CCGs.

52. In April 2013 Public Health services had transferred into the authority and BCC had been highly commended for the work undertaken to promote integration. We look forward to monitoring the way in which the valuable work of Public Health is utilised to best effect within the portfolio.

53. The Care Act brings the biggest upheaval in Adult Social Care for many years. The Cabinet Member stated that the legislation is clear, but the funding is not. The Act includes a much more far reaching requirement to provide assessments, including for those self-funding their own care package - a group which represents around 55% of service users in Buckinghamshire – and for carers, with an expected estimated cost of £5.2m to the authority.

54. The capping of costs that individuals pay towards their own care, from April 2016, represents the biggest financial burden placed by the Act upon the County Council. This was as yet unquantified due to uncertainties around certain aspects of the funding settlement, but we were reassured to hear that the Cabinet Member and



senior officer team continued to lobby government to secure a fair allocation for the county.

55. Other financial pressures arise from a fourfold increase in the numbers of Deprivation of Liberties (DOL) assessments that need to be undertaken and the result of the Winterbourne View situation, whereby everyone with a learning disability must be cared for in the community where possible.

56. Staffing was described as an issue due to the number of temporary workers in the service and various forms of absenteeism. The problem is replicated across the South East, affecting workers such as nurses, Adult Social Care, Children's Social Care staff, etc. There was a need for government intervention to address this ongoing problem. We therefore make the following recommendation.

Recommendation 6

Measures to improve the speed and ease of the Council's recruitment and retention process for social work staff, in conjunction with efforts to reduce the reliance on agency staff in social care, should be implemented urgently.

57. The service was described by the Cabinet Member as high quality and low cost, giving it a good opportunity to address its policy for charging. Where other organisations charge for certain services, BCC has not taken the opportunity to do so. This raised difficult questions around charging our more vulnerable residents. Some people's personal circumstances mean that they pay a percentage towards their service. This was to be raised in a public consultation due to begin on 5th January.

58. The committee is of the view that, given the emphasis placed on reablement both as a service and as a cost saving measure, there should be more choice available to



the County Council in terms of which organisation could potentially provide the service. Currently, the only provider is Buckinghamshire Care, which introduces the risk that the organisation may not deliver, for whatever reason.

59. The Committee has heard nothing to suggest that this is likely to happen, but nevertheless would like to see a healthier provider marketplace, not only to mitigate risk, but also to subject Buckinghamshire Care to commercial pressures that would fuel innovation and provide an incentive to lower costs.

Recommendation 7

The reablement provider marketplace should be developed in Buckinghamshire, both to provide the county council with a range of alternative providers, but also to subject Bucks Care to commercial pressures that would fuel innovation and provide an incentive to further drive down costs.

7. Community Engagement

60. Community Engagement is one of the smaller portfolios which is expected to deliver savings of £2.3m by 2017/18, equating to 19.3% of its budget. The main priorities of the portfolio are:

- Protecting People from crime and safeguarding the vulnerable
- Repositioning libraries to make them community hubs – described as the ‘face of the council and heart of the community’
- Developing a strong sense of community where diversity is celebrated and equality promoted



- Improving residents' health and wellbeing

61. Developments around the library service include the exploration of setting up a Library Trust and the possible development of a sub-regional archive service. The Cabinet Member described his work to influence central government on community wellbeing work and the development of services within his portfolio.

62. We were pleased to be informed by the Cabinet Member that reductions to the library service would not result in the closure of any branches and noted with interest his statement that whilst in post he would not close any libraries. However, we would expect to see a stronger vision around what a 21st century library service should look like alongside a clearer notion of what 'face of the council, heart of the community' involves for the library service on a practical level.

63. Members questioned the Chesham Wellbeing Project and the Cabinet Member described how it had its inception over three years ago with the idea that the many factors that contributed to poverty should be addressed holistically. Services relevant to this were brought together to work out of a health clinic in Chesham. Presently the Cabinet Member for Children's Services leads on it. He described it as a success and explained that the idea was to be implemented in High Wycombe.

64. It was queried what measurable value added was expected from the project, and the Cabinet Member responded that he was expecting reductions in crime and family chaos, greater employability and greater support to get people back into work; measures that he described as hard to quantify.

65. Whilst the committee welcomes the early success of the wellbeing project, we would hope to see quantitative measures of its success being utilised in any decision to roll the project out in other areas.



66. We were concerned to hear about the disinvestment in additional PCSOs, which currently, with other partner contributions, supports 18 full time equivalent posts. We were assured that discussions had taken place with Thames Valley Police around how posts might be maintained, but nothing conclusive had yet been agreed. It was recognised that District Councils and one Town Council make contributions of varying extents to PCSOs and they too had been involved in the discussions.

67. It is acknowledged that the provision of funding for PCSOs could be described as a 'gold plated' service, but nevertheless we are concerned about the impact of reducing funding to a frontline service and would expect that the impact of this be carefully monitored, especially alongside reductions to community safety projects that are also proposed.

68. We noted that the portfolio budget included many lines that should have sat within other portfolios, including the community centre service. We also noted that expected transformation savings of £62k had been allocated to the service, but no plans had at the time been set in terms of delivery of the amount.

69. In exploring the income generation opportunities of the portfolio we were informed that registrar fees were one of the principal sources, especially weekend weddings where there is freedom for the authority to set the fee, whereas other fees are subject to statutory limitations. The BCC registrar service is entirely self-funding when the General Register Office expectation had previously been that it should be no more than 55% so. We would expect to see a continuing commitment to income generation across the portfolio, with every effort made to maximise it where possible.

70. We were interested to explore with the Cabinet Member the overheads associated with LAFs and the extent to which they could be reduced. We were given a figure of around £90k in terms of administration costs for LAFs – in our view this is disproportionately expensive in terms of the amount of money they spend, especially against the backdrop of the removal of £100k from the LAF budget.



71. We were informed that this was potentially to be replaced with £170k - £180k from Public Health, although this could not be assured. Given the contribution of LAFs and the Cabinet Member's stated commitment to devolution, we make the following recommendation.

Recommendation 8

The support costs for Local Area Forums and accompanying rules and procedures should be reviewed to consider the case for further efficiency savings, in particular to consider the appropriate ratio of support costs in comparison to the grant funding provided by LAFs. There should be no further reductions in Local Area Forum grant in this year's MTFP. Further grant funding reductions serve to highlight the disproportionate overhead costs of supporting LAFs for the County Council.

8. Planning & Environment

72. The Cabinet Member described her priorities as:

- Aiming to protect our special environment
- The management of energy use
- The more sustainable management of waste

73. The sensitivity around the provision of household waste recycling centres was a consideration for the portfolio. The income generation target for the service had been set at £100k and we make our standard comment that every opportunity should be made to both maximise this and to generate additional income streams wherever possible.



74. We note the continuing upward trend in the pricing of landfill and waste disposal costs, which are due to rise to £82 per ton next year. Currently the cost to the authority under this heading is approximately £8.6m. Significant risks exist around possible appeals against planning decisions, which haven't been budgeted for.

75. The Cabinet Member described new projects to facilitate energy efficiency across the property portfolio. A capital bid for an Energy Performance Contract (EPC) had been made, which would result in the implementation of practical energy savings – guaranteed by the EPC provider - for the council. We welcome this development as a means to both reduce costs and environmental impact.

76. The placement of biomass boilers in schools is another positive scheme of work within the portfolio, which should save money and reduce emissions. We were interested to hear the Cabinet Member describe 'strange anomalies' in the cost of water across the estate and welcome efforts to rationalise this as a means to reduced utility costs.

77. The major project within the portfolio is the Energy From Waste plant and we were informed that discussions had taken place recently as to when it was to be connected to the grid. The expectation of the Director is that in March 2016 the connection will commence, which represents slippage of 40 days due to the rejection of some material to be used at the site.

78. Currently the plant is in a 'hot commissioning phase' in which waste is burnt to see if it works; the direct benefit to the County Council's budget is the reduced landfill charges this will result in as waste otherwise earmarked for landfill is incinerated.

79. We queried whether the development of the waste transfer stations was critical to making the project work. The Cabinet Member stated that this was not so, but from her response we noted that a lot was contingent upon the London Road



transfer station, as the overall plan for energy from waste was predicated on there being two transfer stations in the south of the county.

80. We noted the implications of there being only one transfer station, including an overburdening of the High Heavens Transfer Station with domestic waste resulting in a potential loss of commercial income from the plant, plus excessive traffic movement around the site to the detriment of residents.

81. We queried what happened to residual products from the EFW plant and were pleased to be informed that 'bottom ash' is managed by FCC and is recycled into various materials such as concrete and aggregate.

82. In terms of the heat by-product from the plant, we were interested to hear that there were income generation opportunities from it and various uses had been explored with little success as yet. We believe that the portfolio should fully evaluate how best to exploit this potential income stream.

Recommendation 9

An options appraisal for the use of the residual heat from the Energy From Waste plant as an income stream should be considered by the Cabinet at the earliest opportunity.

9. Transportation

83. The Cabinet Member was accompanied by a senior manager from Ringway Jacobs, which we welcomed as an indication of the close partnership working between the portfolio and its main service provider. The Cabinet Member stated that the Client Team's goals are to deliver a cost effective service on budget, to provide a



high level service with minimum expenditure and to make sure all decisions are not led by 'profit greed'.

84. We addressed the recurrent theme of risk with the Cabinet Member, in particular whether there was a separate risk register for the authority when it deals with contractors. The Ringway Jacobs representative assured us that there was clarity over ownership of individual risks. Risk analysis was described as dovetailing into business planning processes, which in turn dovetailed into the budget setting process. We were assured to hear that the risk register was already openly shared with BCC.

85. Upon questioning we were pleased to hear that a project was being developed around filling gaps in public transport provision through the use of community transport. The Director stated that this was a result of the recent report of the ETL Select Committee.

86. We were informed that the streetlight switch off programme was on track and there was no intention to place this under review. Lights were switched back on where there was a case to do so from a casualty reduction point. The use of LED was described as the modern approach to street lighting.

87. We were informed that expected income of £180k from a CCTV camera-equipped car had not been realised due to a block placed on such schemes by the Secretary of State for Communities and Local Government. A large overspend was the result but no vehicle purchase had taken place meaning that the authority is not stuck with an asset that cannot be fully utilised.

88. Although there had been some evaluation of borrowing such a vehicle from another local authority with three, legislation prevented this. We were concerned to hear that this intervention from the Secretary of State has left the authority with a deficit.



89. We queried the retendering of bus contracts and whether there was scope to rationalise and release savings by extending those contracts that are due to end so that they coincide with others finishing at a later date. Such an approach would be more efficient from a procedural point of view and would provide greater opportunities to deliver savings to the authority due to possible economies of scale.

90. We made the point that this could be further developed by adding home to school transport to the portfolio, whereas currently it sits within Education & Skills (E&S). We noted the Cabinet Member's willingness to work alongside the E&S portfolio, but we wish to reiterate a previous recommendation made by scrutiny that the home to school transport service should sit within the Environment & Transport portfolio.

10. Children's Services

91. The Children's Services portfolio was subjected to scrutiny by Ofsted in 2014, which delivered an 'inadequate' rating resulting in remedial action by the authority. There has been much change throughout the portfolio, including in the staffing of key positions such as Cabinet Member and Director of Children's Services.

92. Staffing has remained a general issue within the portfolio, with an excessive reliance on interims at every level including, until recently, at senior levels such as Head of Service and Director – we are concerned by this, especially as we were informed that agency staff cost approximately one third more than their permanent equivalents. The situation mirrors that in Adult Social Care but is more acute in Children's Services; we therefore draw attention back to recommendation 6 of this report, where we address social care recruitment and retention.

93. Money has been injected to the service to address the recommendations of Ofsted, resulting in 'unavoidable growth' in several services, including:



- Family Resilience (£31k)
- Children in Need (£1.23m)
- Children in Care (£617k)
- Care Services (£400k)
- Local Authority Quality, Standards & Performance (£189k)

94. We noted increased costs around foster care service which were partially attributable to advertising on television to promote foster care. We would hope to see rigorous monitoring of the effectiveness of such expenditure. We also queried significant growth in the budget of the adoption service and in the social worker pay budget to ensure 'pay remains competitive'.

95. Our main observation in relation to this is that extra funding to CYPS to address Ofsted recommendations should not be taken as a given. Where there is clearly a need to invest to address historical gaps or deficiencies, we endorse this, but not where there is less than robust business case to do so.

96. We were disappointed to note the report to the 12th January 2015 Cabinet meeting which covered the difficulty faced by Children's Services to meet its current predicted outturn. We expect urgent remedial action to take place and further measures to improve prudence within the portfolio, which should not be relying upon contingency funding to cover basic running costs.

11. Education & Skills

97. We noted that the Cabinet Member's priorities remain largely the same as those set last year, with a focus on early years and Children's Centres. Highlights within the portfolio include a focus on home to school transport as a target for savings, and



a plan to reduce the cost of provision to children with special educational needs whilst increasing their independence.

98. Population growth was a significant pressure on the portfolio, which would require an extra 80 classes of 30 children, with a knock-on impact on accommodation across primary and secondary schools. The Service Director reported that from the Aylesbury housing growth there was a significant amount of Section 106 funding but they would need to challenge the amount spent on schools and look at income sources.

99. We addressed the recurrent theme of the use of agency staff and were interested to note that within Children's Centres some were employed, although steps were being taken to address this. The Cabinet Member also reported that this service would go out to tender so that re-commissioned provision should be in place in July/August 2015. The intention was that this should result in decreased costs. The portfolio would not close a Centre but may relocate some so that they were more accessible to residents, particularly in Wycombe and Chesham.

100. We noted with interest the plans to mitigate the reductions in the Education Services Grant and the income generation opportunities arising from the provision of Educational Psychology Services. As stated throughout this report, we believe every opportunity to generate income should be exploited and fully endorse this approach.

