

Response to Scrutiny Recommendations

1. The Scrutiny of the 2017-18 budget took place on 30th November 2016. The following key questions were addressed:

Corporate

- a) What is the impact of the national economic situation upon the County Council's budget?
- b) How does the current budget compare with previous years, in gross terms?
- c) What is the forecast budget gap to 2020?
- d) What assumptions about levels of funding and financial pressures have been relied upon in this forecast?
- e) What is the corporate process for developing budget proposals?
- f) What has been the corporate approach taken to consulting the public?
- g) From 2011/12 to date, what level of reserves has been forecast, what was the actual balance, and what are the plans for reserves in 2017/18?
- h) To what extent has the capital programme set in previous years been spent, and what is the draft programme for 2017-2020?

In relation to each service area:

- i) What is the current budget, how is this allocated across the Directorate, what is the forecast outturn for 2016/17, and how is the budget expected to change in 2017-18?
 - j) What are the current and future budget pressures for this service?
 - k) What difference have transformation programmes made to date and how is the impact measured?
 - l) What are the proposals for the service to set a balanced budget for 2017/18?
 - m) What consultation and engagement has taken place with stakeholders (including public sector partners, local communities, the voluntary and community sector and service users)?
 - n) What is the assessment of the impact of proposed changes on:-
 - i) residents, particularly those most vulnerable in the community?
 - ii) partner organisations?
 - iii) the quality and quantity of services available to meet need?
 - o) What are the uncertainties/risks associated with the proposals, including risk to the delivery of the Council's statutory responsibilities and the ability to provide sustainable services?
2. Following consideration of the evidence received, the Committee agreed to acknowledge the good work done to find efficiencies and savings, and to recognise the difficulty of producing a balanced budget in the current period of tight constraints on public sector spending.

3. The Committee made a number of recommendations. These are set out below with the responses

- a) To ask the Cabinet Member for Finance and Heritage to reconsider the risk to continuity of service from those areas where there are relatively small reductions in funding (such as culture, heritage and sport, library services, trading standards, strategic development) and whether the financial risk to the Council, if such services were lost or curtailed, is proportionate to the relatively modest savings involved.

RESPONSE

As a result of the continuing financial challenges facing the Council it is not sustainable for these smaller budgets within the Council to be protected from savings. The reductions in funding in these service areas are relatively small as a proportion of the budget for the service (11% in culture, heritage and sport, 4% in libraries & archives, 5% in trading standards, 10% in strategic development) and are therefore not considered to be disproportionate.

- b) To recommend to the Leader of the Council, the Cabinet Member for Finance and Heritage and the Director of Resource Management that opportunities for income generation should be fully explored.

RESPONSE

The Council will continue to take advantage of new opportunities to increase the amount generated from existing income streams and seek out new ways of generating income. However, it should be noted that many of the Council's existing income streams, for example care charging which accounts for 40% of the Council's income, are limited by national thresholds and legislation. The Council also has to remain competitive when charging for services so potential income is not lost, for example rents in Council premises and charges for Weddings. The Council is also generating new income streams, for example through setting up Barley Homes (Group) Ltd with the West Suffolk Councils a return to the Council will be generated and new homes both for sale, rent and shared ownership will be built in Suffolk.

- c) To recommend to the Leader of the Council, the Cabinet Member for Finance and Heritage and the Director of Resource Management that the following information should be included as part of the report to the Cabinet on 24 January 2017:

Corporate

- i. Further details about the Highway Needs Based Capital Maintenance line in the Draft Capital Programme 2017-20, giving a breakdown of the figures under clear headings;

RESPONSE

Appendix C, Annex E includes a breakdown of the Highways Capital Programme by type of work.

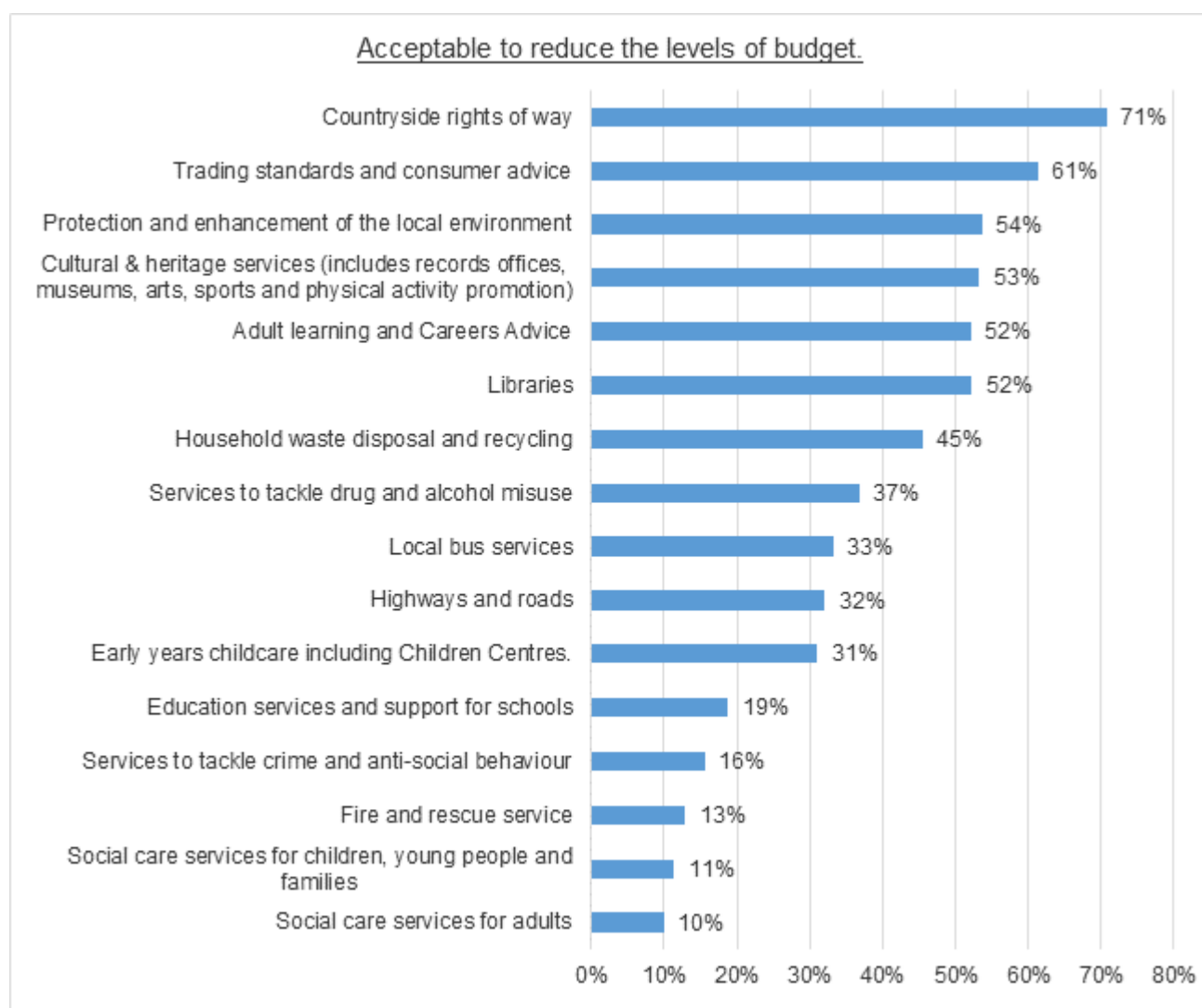
- ii. The Council's response to the information gathered from the budget consultation exercise (whether provided at meetings or online);

RESPONSE

A short online survey has been undertaken on the Council’s website, running from 14th November to 31st December. This gives residents an opportunity to give their views on where spending should be prioritised. A summary of the questions and the responses is shown below.

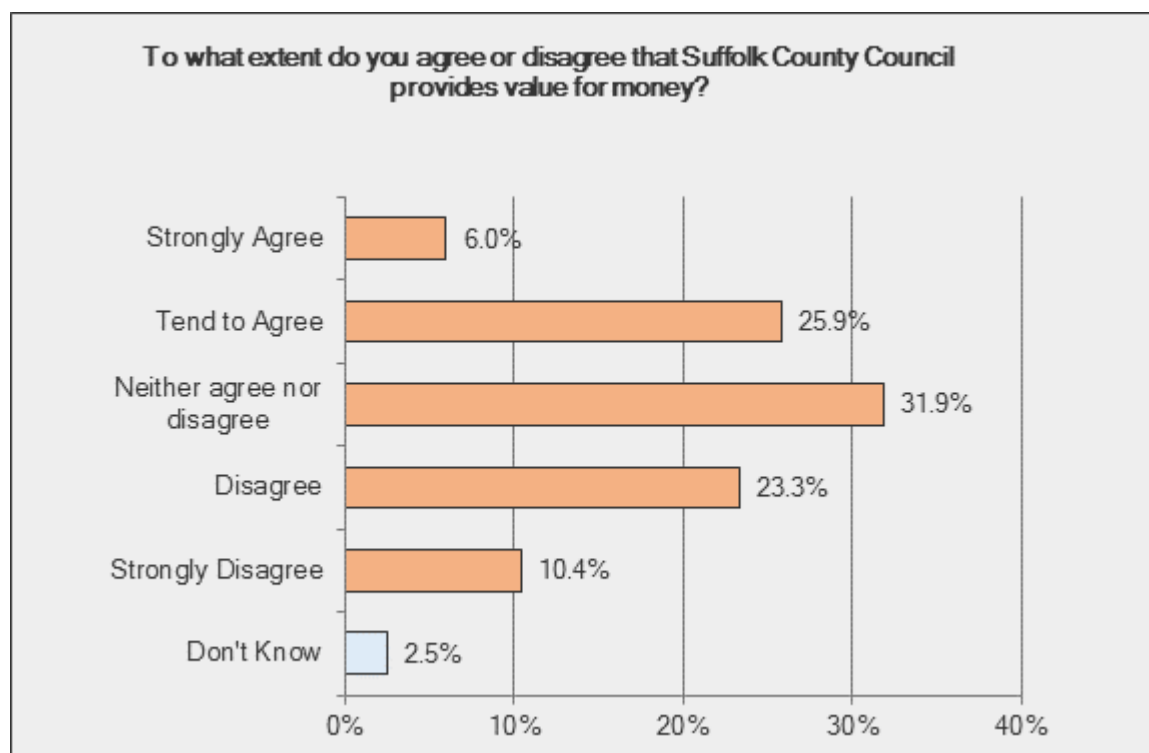
Budget Consultation Autumn 2016 – Summary of Results

Q1 - For each of the service areas below please indicate whether you think it is acceptable or not acceptable to reduce the levels of budget. For each service please bear in mind that the money would need to be found from another part of the Council if current service levels were to be maintained. PLEASE TICK ONE BOX ONLY FOR EACH ROW



The combined net budget of the top five services that the respondents to the survey said were acceptable to cut is £5m.

Q2. To what extent do you agree or disagree that Suffolk County Council provides value for money?



Q3 – Question requesting postcode data

Q4. If you have any specific comments on Suffolk County Council's services, please provide these in the box below.

We have received over 150 free text responses to this question. These are now available on the Council's website.

www.suffolk.gov.uk/budgetsurvey2017

In addition to the online survey presentations were made to the Ipswich Area Committees and Suffolk Association of Local Councils (SALC) area meetings in November and December. A presentation was also made at each of the budget consultation meetings held by Suffolk Coastal District Council and Waveney District Council.

The minutes of the Ipswich Area Committee meetings can be found here:

<https://democracy.ipswich.gov.uk/ieDocHome.aspx?Categories>

- iii. A table providing an analysis of income streams;

RESPONSE

Appendix C, Annex G, shows the total external income budget for 2017-18 and by service area. The 2017-18 budget for external income is £101m. Within this the key income streams are:

Service Area in Appendix C, Annex G	£'m	Description on Income Stream
ACS - Care: Purchasing of Services	41.4	Adult care charges (client contributions for care packages in residential, home care, day care)
ACS - Care Act & Better Care Funding	17.1	Income from health for adult care through better care fund/section 256
ACS - Homefirst Re-ablement Service & Area Teams	0.7	Mostly mental health staffing recharge to Norfolk & Suffolk Mental Health Trust
ACS - Welfare Rights and Fairer Charging	0.2	Blue badge applications & chargeable advice services
CYP - Early Help & Specialist Services	3.5	Health Visiting, Youth Offending Service, Suffolk Family Focus Fee income
CYP - Education & Learning	3.9	Suffolk & Norfolk Initial Teacher Training (SNITT) income - student contributions to training/contributions to Music Service
PH&P - Health Improvement and Health Protection	0.6	S75 agreement with NHS England and External contributions from Suffolk Police and Crime Commissioner and CCGs
RM - Finance, HR, IT	4.9	Income from Pension and Insurance Funds, Trading of Services e.g. payroll
RM - Corporate Property	5.3	Income from rents and service charges, including county farms; Return from Concertus
RM - Scrutiny & Monitoring	2.6	Legal including land charges; Registrars
RM - Waste and Infrastructure	8.1	Waste disposal income
RM - Highways and Transport	4.1	Charges to utility companies for defective reinstatements; Highway records; Section 38 inspection fees; On street parking income from districts, Network assurance
RM - Passenger Transport	1.6	Discretionary bus fare income and other bus fare income, including Post 16 Home to School

- iv. A table showing earmarked reserves for the previous three years (projected and actual);

RESPONSE

The table below shows the forecast that was made on the earmarked reserves as part of the budget setting process in December and the actual balance on those reserves at the end of the financial year. If a reserve was forecast to be used by the end of the year this will show as 0.0 in the table. There are a number of reasons why there are blanks in the table. These include:

- The reserve has been spent.
- The reserve is no longer needed so the funds have been returned to the directorates service reserve.
- New reserves have been introduced that did not exist in previous years.
- The presentation of reserves has changed over the period for example Projects in Specific Services has now been classified under each directorate as Other Earmarked.

Appendix A

	2013/14		2014/15		2015/16	
	Forecast Balance 31/03/2014 £'m	Actual Balance 31/03/2014 £'m	Forecast Balance 31/03/2015 £'m	Actual Balance 31/03/2015 £'m	Forecast Balance 31/03/2016 £'m	Actual Balance 31/03/2016 £'m
My Life My Future						0.5
Support to Live at Home				0.5	0.0	0.5
Mental Health projects						0.2
Other ACS Earmarked						2.8
Divestment programme inc Care UK	2.3	3.9	0.9			
Housing Related Support		1.5	0.0			
Direct payment set up costs		0.5	0.5			
Adult Safeguarding new responsibilities		0.6	0.5			
Transformation programmes (SLCC/HASCI)	1.0	1.2	1.2			
Social Fund Grant		0.3	0.3	0.8	0.0	
Living Healthier Lifestyles				0.5	0.1	
Arts and Museums				0.4	0.1	
Libraries and Archives				0.2	0.2	
Dignity Ambassadors and Adult Safeguarding				0.2	0.2	
Youth Offending Service	0.3	0.6	0.4	0.5	0.1	0.3
Universal Childrens Health Services	0.9	1.1	0.8	1.1	0.8	0.9
Adoption Reform		1.3	0.8	0.8	0.3	0.4
Troubled Families	1.5	2.1	1.5	1.9	0.9	1.6
Youth Guarantee Funding						3.7
Music Service		0.5	0.5	0.5	0.5	0.5
Schools' Choice				0.8	0.8	1.1
Other CYP Earmarked						1.7
Home to School Transport	5.0	5.9	5.9	4.7	3.1	
Fire PFI	2.3	2.4	2.2	2.6	2.4	2.6
Public Protection Transformation				0.5	0.7	1.0
Other Fire Earmarked						0.8
Public Health Projects				0.8	0.4	0.7
Fire Control	0.2	0.4	0.2	0.4	0.2	
Fire Uniform				0.2	0.3	
Corporate Regeneration	1.0	1.1	0.7	1.0	0.7	0.8
Energy & PV Panels		0.4	0.4	0.3	0.2	0.4
Building Maintenance		0.5	0.4	0.4	0.3	0.4
Locality Working	0.5	0.6	0.4	0.5	0.3	0.4
On Street Parking Schemes	1.8	2.3	2.0	2.5	2.2	2.1
Green Travel Plan						0.6
Waste	2.9	2.7	0.1	4.7	4.2	4.7
Highways Transformation		2.0	1.5	1.3	0.9	0.7
Developer Fees		0.6	0.7	0.6	0.6	0.6
Highways Commuted Sums				5.2	4.7	5.3
Strategic Development						1.3
Economic Development	0.7	0.8	0.6	0.6	0.4	
Elections	1.0	1.0	1.0	1.0	1.0	1.0
Insurance	5.7	6.9	6.9	5.9	5.0	4.2
Home of Horseracing	0.0	1.0	0.0	0.2	0.0	
Redundancy	3.9	2.2	2.2	0.6	0.4	0.4
Endeavour Card	1.0	1.0	0.9	0.8	0.6	0.8
Raising the Bar	1.9	2.0	1.6	1.6	0.9	1.1
School Organisation Review	5.0	4.9	4.9	4.9	3.4	3.7
Transition Fund	1.0	0.7	0.6	0.6	0.4	0.4
Transformation Fund	6.8	1.7	7.5	6.9	5.4	6.6
Broadband	6.0	6.0	6.0	6.0	4.2	6.0
Customer Service/Digital	2.9	3.0	2.8	2.6	1.3	1.9
Apprenticeships	1.5	1.5	1.3	1.4	0.9	1.2
Projects in Specific Services	4.6	4.2	3.6	3.0	2.9	
Total Earmarked Reserves	61.6	69.4	61.7	69.7	51.8	63.9

v. A breakdown of service reserves;

RESPONSE

Appendix A

	Actual Balance 31/03/2016 £'m	Forecast Balance 31/03/2017 £'m	Forecast Balance 31/03/2018 £'m
ACS	8.0	9.0	6.5
CYP	10.7	2.3	0.0
PH&P	1.8	1.3	1.3
RM	5.4	4.7	4.2
Corporate	0.7	0.1	0.1
TOTAL SERVICE RESERVES	26.6	17.4	12.1

- vi. Information as to how Suffolk's budget per capita compares with comparator authorities.

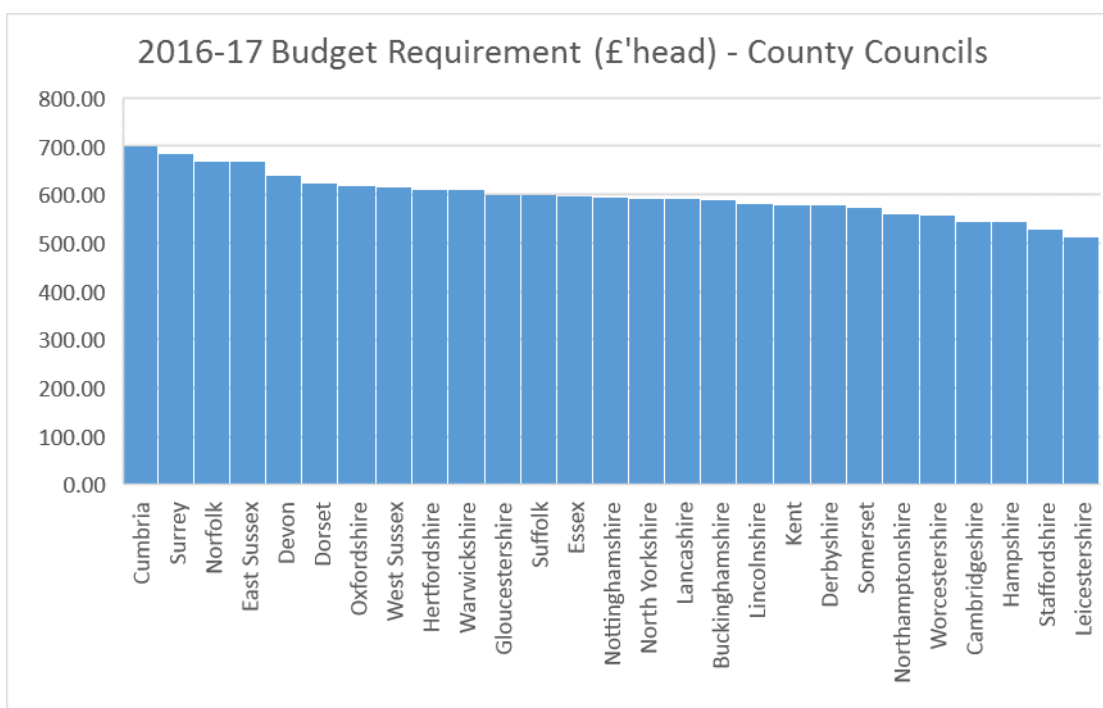
RESPONSE

CIPFA produce statistics annually based on the budgets of all local authorities. These include a calculation of the Budget Requirement of each council per head of population. The Budget Requirement is the budget funded by Revenue Support Grant, Top Up Grant, Business Rates and Council Tax. Expenditure per head is only a guide to the level of expenditure on local government services and is not necessarily an indicator of standard or efficiency. Comparisons based on per capita expenditure can also be misleading for authorities where the tourist or daytime population is greatly in excess of the resident population on which the per capita analysis is based.

The tables and chart below show how the Budget Requirement per head in Suffolk compares with the other 26 County Councils

	2016-17 £'head	2015-16 £'head	2014-15 £'head	2013-14 £'head	2012-13 £'head
Suffolk	600.15	618.96	641.61	664.02	648.95
Average of all County Councils	598.99	613.18	627.06	643.44	625.61
Rank (in descending order from highest cost per head, out of 27 councils)	12	11	9	6	6

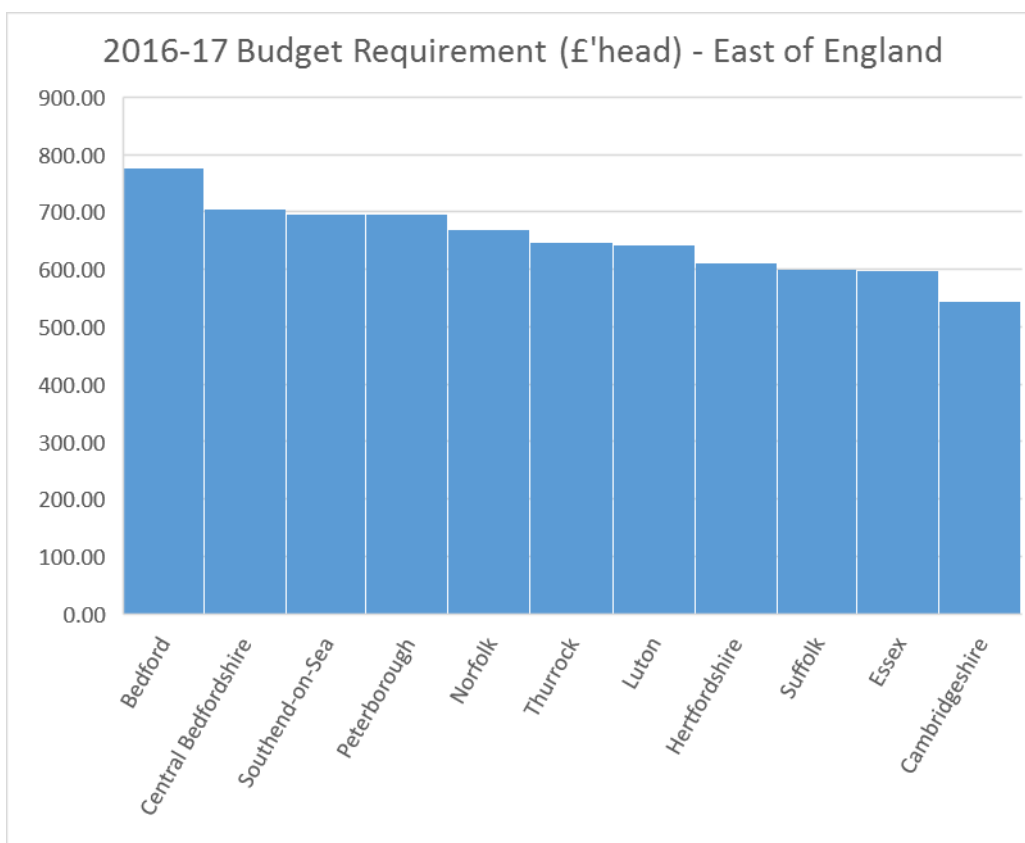
Council	2016-17 £'head
Cumbria	700.15
Surrey	685.53
Norfolk	668.60
East Sussex	668.50
Devon	640.98
Dorset	624.23
Oxfordshire	618.12
West Sussex	616.36
Hertfordshire	611.68
Warwickshire	610.93
Gloucestershire	600.65
Suffolk	600.15
Essex	598.17
Nottinghamshire	594.31
North Yorkshire	593.69
Lancashire	593.13
Buckinghamshire	589.47
Lincolnshire	580.53
Kent	578.73
Derbyshire	578.22
Somerset	572.56
Northamptonshire	559.70
Worcestershire	557.32
Cambridgeshire	544.91
Hampshire	544.36
Staffordshire	528.20
Leicestershire	513.43



The tables and chart below show how the Budget Requirement per head in Suffolk compares with the other Councils in the East of England

	2016-17	2015-16	2014-15	2013-14	2012-13
	£'head	£'head	£'head	£'head	£'head
Suffolk	600.15	618.96	641.61	664.02	648.95
Average of East of England Councils	653.53	673.98	705.47	739.96	704.16
Rank (in descending order from highest cost per head, out of 11 councils)	9	9	8	8	8

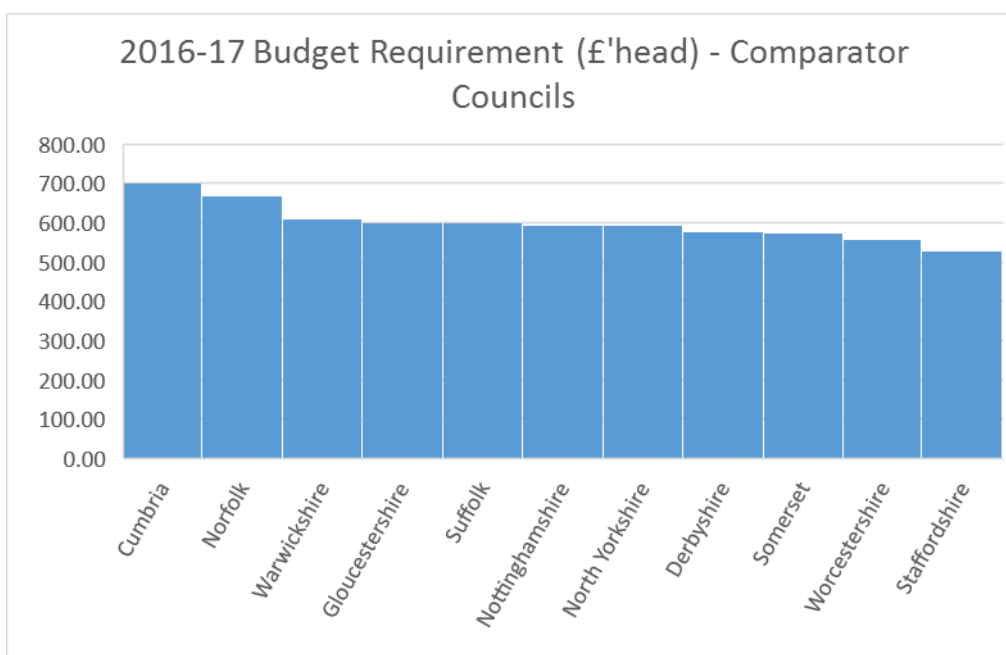
Council	2016-17 £'head
Bedford	777.01
Central Bedfordshire	705.68
Southend-on-Sea	697.22
Peterborough	695.83
Norfolk	668.60
Thurrock	647.29
Luton	642.30
Hertfordshire	611.68
Suffolk	600.15
Essex	598.17
Cambridgeshire	544.91



The tables and chart below show how the Budget Requirement per head in Suffolk compares with the 10 County Councils that are most similar in statistical terms.

	2016-17	2015-16	2014-15	2013-14	2012-13
	£'head	£'head	£'head	£'head	£'head
Suffolk	600.15	618.96	641.61	664.02	648.95
Average of Comparable County Councils	600.46	614.04	635.38	650.40	633.74
Rank (in descending order from highest cost per head, out of 11 councils)	5	4	4	3	3

Council	2016-17 £'head
Cumbria	700.15
Norfolk	668.60
Warwickshire	610.93
Gloucestershire	600.65
Suffolk	600.15
Nottinghamshire	594.31
North Yorkshire	593.69
Derbyshire	578.22
Somerset	572.56
Worcestershire	557.32
Staffordshire	528.20



- vii. A list of voluntary and community sector organisations affected by reductions in grants, whichever department the funding has been coming from, together with a narrative on the anticipated impact of these reductions.

RESPONSE

This is the second year of a staged withdrawal of a range of Adult Care grants for some voluntary and community sector organisations. This does not include the significantly larger contract spend with the sector through the payment for services. Each organisation was given notice of the proposals in 2015 and the opportunity to work with officers to plan and mitigate the risk to their organisation. As part of this year's process organisations affected by removal of grants have been consulted on

likely impacts to their organisation and activity. Separate to the discussions above, the service continues to meet regularly with the largest grant recipient, Age UK Suffolk, jointly to plan how to manage the financial challenges that the directorate faces. This has included support in seeking alternative funding sources and business support and this work with Age UK Suffolk is on-going. The impact varies from organisation to organisation, but potentially could reduce local community-based activity and support.

The table below shows the 2016-17 and proposed 2017-18 grants for Adult Care.

Adult Care: Voluntary Sector Grants	2016-17 Grant	2017-18 Proposed
Age UK Suffolk	357,576	250,000
Alzheimer's society	41,507	-
Eye SLA Volunteer Centre	3,932	-
Felixstowe SLA Volunteer Centre	2,748	-
Kesgrave SLA Volunteer Centre	3,681	-
Halesworth Volunteer Centre	7,209	-
Southwold Volunteer Centre	2,102	-
Disablement and Self Help (DASH)	3,205	-
Holiday Opportunity Play Scheme (HOPS)	5,245	-
Chinese Family Welfare	5,905	-
Suffolk Coalition of Disabled People	75,000	35,000

Proposals to reduce grants to cultural sector organisations were discussed with each organisation in 2015 as part of the Council's two year proposals set out for 2016/17 and 2017/18. The 2017/18 grant budget is proposed to reduce by a further 16.5%, as shown in the table below.

Culture, Heritage & Sport Services	2016-17 Grant	2017-18 Proposed
DanceEast	54,290	45,000
Eastern Angles	26,700	21,000
New Wolsey Theatre	141,688	120,000
Suffolk Artlink	66,430	62,000
Theatre Royal, Bury	125,000	100,000
Festivals	12,000	4,950
Amplifier	13,121	3,000
Gainsborough's House	34,000	28,000
Leiston Long Shop	15,000	13,550
Museum of East Anglian Life	105,500	100,500
Association for Suffolk Museums	3,040	2,000
Most Active County & Other Sport Related	72,690	62,690

Officers have worked closely with these organisations throughout the year to mitigate the risk to the stability of the organisations, support business planning and their relationship with other funders including Arts Council England. There is a risk to some organisations attracting funding and completing capital programmes. The risk to the Council is a significant reduction in services that support the Council's priorities, and the social and economic impact. There is a slight sector risk to potential inward investment in Suffolk's cultural infrastructure and development programmes from national bodies such as the Arts Council England, but this is

being managed very carefully and there is some confidence of successful awarding of significant grant aid in 2017-18.

Children and Young People's Services (CYP)

- viii. A breakdown of the budget line for Early Help and Specialist Support (£61.61m in 2016/17 and £65.91m in 2017/18).

RESPONSE

	2016-17 Net Budget £'m	Inflation and Demand Funding £'m	Reduction in Pension Contribution £'m	Savings £'m	2017-18 Net Budget £'m
Early Help	14.43	0.10	-0.08		14.45
Specialist - Contingency	0.45				0.45
Specialist - Corporate Parenting	27.86	5.01	-0.04	-1.00	31.83
Specialist - Safeguarding	1.45	0.01	-0.01		1.46
Specialist - Social Care	13.81	0.11	-0.08		13.84
Vulnerable Children/Unaccompanied Asylum Seeker Children/Overheads	1.94				1.94
Youth Offending Service	1.93	0.01	-0.01		1.92
	61.88	5.25	-0.23	-1.00	65.89

- ix. Further breakdown of the "Home to School Transport" line, if possible in a matrix showing school type and transport type (i.e. dedicated bus, commercial bus, taxi etc.)

RESPONSE

The table below shows an analysis of the number of pupils who receive Home to School Transport by type of school and type of transport. The table also shows how the proposed 2017/18 budget for Home to School Transport is split against the four areas of mainstream education, out of county establishments, Pupil Referral Units and Special Educational Needs.

Establishment type	Budget Grouping	Proposed 2017-18 Budget (£'m)	School bus (closed contract)	Public bus (school route, not closed contract)	Public bus (purchased seats on commercial service)	Public bus (CYP contribution to sponsored route)	Rail Service	SEN taxi/mini bus (closed contract)	Grand Total	
Secondary School	Mainstream Education	9.9	7141	949	977	381	8	45	9501	
Primary School			1988	1	19	14		132	2154	
Middle School			193		202	6		1	402	
Colleges			6	72	414	110	48	135	785	
Colleges (out of county)					1	247		33	18	299
Suffolk One					67	126	264	75	41	28
SEN (out of county)	Out of County	1.7	7		17		2	47	73	
Alternative Provision (out of county)								9	9	
Pupil Referral Unit	Pupil Referral Units	0.8			51		2	234	287	
SEN	Special Educational Needs (SEN)	6.1	1	1	4			652	658	
Independent (SEN)								116	116	
Alternative Provision						3			87	90
Respite									28	28
Pre-school					6					6
Grand Total		18.5	9409	1150	2198	586	134	1532	15009	

Resource Management

- x. Clarification as to whether the councillors' highways budgets will carry forward after the County Council elections in May 2017.

RESPONSE

Any unspent Local Highway Budget in 2016/17 will be automatically rolled over into 2017/18 and thereby retained by the County Councillor for expenditure during that financial year if re-elected. If any existing County Councillor retires or does not get re-elected, their unspent allocation at the time of the County Council elections will be transferred to the incoming County Councillor.

- xi. A breakdown of the support services savings.

RESPONSE

The allocation of the Support Services savings across Resource Management are shown in Annex C4

- xii. Information about the highways schemes connected to the Park and Ride proposals and how much they are expected to cost

RESPONSE

It is planned that £200,000 will be set aside from the On Street Parking Account for improvement schemes in Ipswich designed to give buses priority. Prioritisation will be done in conjunction with stakeholders.

- d) To request information bulletins setting out:

- i. how the On Street Parking Account will be used in 2017/18;
- ii. a list of voluntary and community sector organisations commissioned to provide services;
- iii. a table setting out what Supporting Lives Connecting Communities has achieved to date and is forecast to achieve in terms of managing down demand for ACS services (by Tier), for the next two years and at least the two previous years;
- iv. details about how assessments for Disabled Facilities Grant are being undertaken/delivered and the performance of this service;
- v. the number of people assisted through Housing Related Support over the last three years and projected in the year ahead;
- vi. figures to demonstrate how successful changes to fostering services have been;
- vii. further information about new mechanisms for bidding to provide school transport;
- viii. further information about the public health budget and services provided;
- ix. analysis of the costs of County Council accommodation occupied by County Council staff and rented out, including numbers of people accommodated, area involved and total cost.

RESPONSE

The information bulletins requested will be provided to the Scrutiny Committee for their meeting on 7th February 2017. The papers for these will be available before the Cabinet meeting on 24th January 2017

- e) That all councillors should be encouraged to sign up to the Trading Standards weekly “scams” alert and to promote these messages within communities.

RESPONSE

Trading Standards have previously encouraged all Councillors to sign up as Consumer Champions in order to receive the weekly “scam alerts” to promote within their communities. Sasha Watson, Community Engagement Officer in Trading Standards, will be working with Councillor Matthew Hicks in early January 2017 to remind Councillors of the scheme and the important role they can play in receiving and sharing these updates to help prevent residents from falling victim from scams and rogue traders.

- f) That the Cabinet Member for Highways and Transport should be asked to consider whether steps could be taken to improve the online tool for reporting highways defects by providing a “smarter” response to users.

RESPONSE

Suffolk Highways is continuing to work with the Insight software system developer (Symology) to enhance the award-winning highways online reporting tool. Towards the autumn of 2017, it will be possible to report street lighting faults on the online reporting tool as well as highways-related issues. The intention is that this continuing system enhancement includes improved feedback to those using the online tool to report problems, supplementing the telephone calls already being made by the customer service centre.