

## **Letter from County Councillor John Reynolds December 2010**

### **County Budget**

Letter to all staff from Mark Lloyd, Chief Executive Cambridgeshire County Council

Delivering a leaner, local, future together

The County Council is facing unprecedented challenge. The impact of the national debt, combined with the twin pressures of increased demand for our services and inflation, means we have a target of saving £160.6 million over the next five years. That is why I want to talk to you about how we are going to meet this challenge.

I am very proud of this Council and the people who work for it. However, there is no doubt that to meet these tough challenges we are going to have to transform the way we work. This is at the heart of this year's Integrated Planning Process (IPP), now open to consultation.

We will become a slimmer, even more efficient Council; one which puts communities at the heart of creating and delivering services, and prioritises help for the most vulnerable people in our communities. We want to be a genuinely local Council, handing power for decision making, budgets and service provision to the most local possible level.

Clearly the changes we're proposing have big implications for the way we work, and we estimate that over the next year up to 450 people will be affected as the Council transforms. This figure is likely to increase over the next two to three years but it is too early to give a clear indication by how many.

Redundancies are an inevitable consequence of the challenge we face, but we will do all we can to mitigate the impacts. Of course, not all of the reductions will result in redundancy. We've been freezing posts as they have become vacant and some colleagues will retire or move to a job elsewhere.

I do understand how difficult the idea of job losses will be and it's important that we support each other as we come to terms with this. We also need to be open and transparent about the impacts while we address budget decisions.

In addition we will be consulting with our recognised trade unions. This will start with a meeting on 17 December with a further one planned for early January. We will work jointly with our trade unions and employees to find ways of mitigating the impacts on staff where possible.

Once the IPP proposals and their potential impact are more fully understood, Directors will hold employee briefings from mid-January onwards. These will update you on where we are with the IPP and seek your ideas and suggestions.

### **Transforming the way we work**

The focus of our transformation will be on what our local communities want and we must all make sure every penny of every pound works in the most effective way possible. All services will face change; some will end, or be provided through other partners and the voluntary and community sectors.

We'll be making sure that we prioritise services for the most vulnerable and those that most need support. This will mean moving away from some universal services and targeting particular groups of people, for example in the support we offer for children and young people.

We will be devolving decision making, commissioning and the running of some services to local level, where people are best placed to decide which services they need. For example, we are considering subsidising fewer bus services and looking instead at developing more integrated community-based approaches to public transport.

We will be making sure that services are provided by those who are able to offer best value. Sometimes this will be us; other times this will mean working with other partners and agencies.

We'll help communities to step in where we can't provide services. We'll listen more, instead of taking a top down approach. We'll work more closely with individuals and carers on personalising care, so that people can take their own decision on what is right for them. For example, by rolling out even greater use of direct payments and self directed support, we can give more people choice and control over their care needs.

We'll focus on preventing people needing high levels of care and support and, when people do need it we'll intervene early, helping to "re-able" them to live independently.

We are already a lean authority compared with many of our neighbours, so we will be starting this work from a base which is already low cost. Everything will be geared to better outcomes for our frontline, while we streamline the back office, share services, and achieve a better uniformity of our standards.

## **Consultation**

We are first consulting residents, partners, employees and communities about the scale of the challenge ahead. To do this, we'll be using the same consultation method as last year, Simalto. Face-to-face interviews are being carried out across the county using a Simalto grid which contains the same sort of tough choices on services which Councillors will be taking.

This year, we will be launching the consultation online, [www.sharesim.arachsys.com/login/camb10.jsp](http://www.sharesim.arachsys.com/login/camb10.jsp) which means that more people will be able to take part. We've already held focus groups with the voluntary and community sector, young people and the business community. The results will be analysed and published by Cabinet in January.

## **What next?**

As well as taking part in the consultation can I encourage you all to keep sending in your efficiency ideas for consideration by our Strategic Management Team, and sharing with colleagues.

**Mark Lloyd**  
**Chief Executive**

## **Grant Headlines**

The Grant Announcement by the Secretary of State is broadly as expected and therefore the Budget Paper being considered by Cabinet holds true. Over the following week we will be examining the Grant Announcement in more detail, especially in relation to the fate of a multitude of specific grants.

We also await further funding announcements from the other Departments of State from which we receive a proportion of our funding. An initial view of the Grant Announcement indicates that our planning assumptions made to date are correct within the parameters of plus/minus 1%.

The headlines from the announcement are as follows:

\*Our Formula Grant will be cut by 14.3% in 2011/12. This is after "damping", i.e. the formula indicated that we should have lost more, because we are successful, i.e. have a good and growing tax-base and across the county relatively low levels of deprivation. We had assumed a 11.9% cut in Formula Grant funding.

\*However we are due to receive marginally more of the new Social Care Grant than expected and this combined with other specific grant movements brings us broadly back to our funding forecasts. In overall terms we will be receiving £120.1m Formula Grant, and £41m of other specific grants from DCLG.

\*These other specific grants include adjustments for the transfer of costs and responsibilities for Learning Disabilities (from Health), an indicative Council Tax Freeze Grant and support for Social care Reform. The devil is however in the detail and the exact funding position for 2011/12 and 2012/13 will only become crystal clear over the next few days.

\*In terms of capital funding, for transport, there is perhaps some slightly more positive news, though again in stress, the detail is still being looked at. The allocation is higher than expected at £3.8m for Integrate Transport and £10.7m for capital maintenance for 2011/12, and perhaps more importantly will come in the form of grant rather than supported borrowing, reducing our debt charge burden.

## **COMMUNITIES AT HEART OF SERVICES AS COUNCIL TAKES ON BUDGET CHALLENGES**

Local communities will be put at the heart of creating and delivering services, according to Council Leaders who are facing their toughest budget challenges ever.

The Government has announced what grant funding local authorities will get and Cambridgeshire County Council will have to save £160.6 million in the next five years - and will see up to 450 people going from the authority in the coming year, with that figure likely to rise in the next two to three years.

The savings are needed to meet the reductions the Coalition Government requires the Council to make to help deal with the national deficit. It is also needed to help pay for the rising costs and demands on essential services resulting from the county's population growth and people living longer. The Council says it will prioritise services to help the most vulnerable in society as well as improving safety and supporting initiatives to help older people avoid needing more expensive forms of care.

In order to do this the Council is looking at making every penny of every pound work in the most effective way possible. To help Councillors prioritise services, residents are being asked to help shape the budget through a survey which puts the public in the position of a councillor. The survey gives residents choices about how much they would save from a selection of services, which builds up a picture of residents' priorities. It contains the same sorts of choices on prioritising services Councillors will be taking.

Some 250 people across the county will be interviewed face-to-face, and the survey will also be available online via the County Council's website. Putting local communities at the heart of decision making and designing services will be key to transforming how and what the council will do in the future.

The County Council is known nationally as an authority that manages its funds well and in the last five years has saved £60 million - some £18 million in the last year alone. Transforming services will be a major challenge as the council is already a lean organisation compared to many of its neighbours.

Councillors are clear that the priority will be services for the most vulnerable and those who need the most support. This will mean moving away from some universal services and targeting particular groups of people, for example in the support given to children and younger people.

The Council will also look to devolve decision making, commissioning and running some services to local level, where people are best placed to decide what services they need. For example, this could mean subsidising fewer bus services and instead developing a more integrated community-based approach to public transport.

Preventing people needing high levels of care and support and intervening early when people do need it will also be part of the approach. The Council will also work more closely with individuals and carers on personalising care so that people take decisions which are right for them, giving them more choice and control over their care needs.

This is the toughest budget we have ever faced. The Council will either not be delivering some of the services it does now, or they will be delivered in a very different way. However, at the heart of the budget we set will be the needs of the communities we serve and the desire to make every penny in every pound work in the most effective way.

Our priority will be to protect the most vulnerable in our community and provide early intervention to prevent people getting to a point where they need more costly services. Together with partners and by working with communities we will transform services. I have no doubt there are going to be some very hard choices. Cambridgeshire is already a lean authority which makes finding savings a tough challenge.

The savings are needed to help pay back the national deficit as well as making sure we have enough funds to cope with the increased demand for our services as the population grows and people live longer. We hope residents will take part in the consultation and tell us what they want prioritised."

The Council's final budget proposals will be put to the Cabinet in January and debated by Full Council before being agreed in February.

## **BAM NUTTALL FAIL TO DELIVER ON CHRISTMAS PLEDGE**

Busway contractors BAM Nuttall will be stripped of a further £238,000 for late delivery by Cambridgeshire as the Contractor has confirmed it will not deliver the Busway before shutting down for Christmas. In a public statement just over two weeks ago the contractor stated the whole route would be complete before Christmas, but BAM Nuttall's site team have said today they will not hit the date they set.

So far only eleven out of 44 mandatory construction certificates for the southern section, that guarantee the works, have been submitted and the contractor is way behind the schedule they set themselves for providing the certificates. Almost £14,000 a day will continue to be deducted from BAM Nuttall for late delivery of the project during the festive break on top of almost £9 million that has already been deducted.

Councillors approved plans to bring in new contractors to fix some of the defects (see notes) once the route has been handed over and the contractor permitted their contracted 28 days to finish any outstanding tasks. All six defects are still outstanding despite a statement by BAM Nuttall 's Chief Executive in April saying the firm would fix the problems months ago.

The Council plans to install an expansion joint on the River Great Ouse viaduct that was omitted by BAM Nuttall adjust the levels of the St Ives Park and Ride car park so it drains properly and rain water does not pond as well as raise sections of the flooded cycleway as it is impassable for more than half the year. BAM Nuttall will be liable for the Council's costs which will be deducted from the 5% of the contract value that is being held back from BAM Nuttall (called retention) that should be paid back to BAM Nuttall after completion.

The Council and bus operators have consistently stated they both want the defects that would cause the Busway to close again once it is open rectified before passenger services begin. When BAM Nuttall finish the job and complete all the necessary construction certificates the independent Project Manager has 21 days to certify the work as complete. BAM Nuttall will then have 28 days under the terms of the contract to correct any defects the Project Manager notifies them of - including the six between St Ives and Cambridge.

After this period the Council can step in with new contractors and fix the jobs as planned. Work on the cycleway will not hold up the opening of the Busway but will be carried out after the other defects as the flooded sections between Swavesey and St Ives must dry out first. Cambridgeshire residents have sadly become very accustomed to BAM Nuttall failing to hit the dates they have set for themselves, but the fact the contractor will not have the work done by Christmas will not be a big surprise to most as Council officers have said publically that they doubted this for some time.

What is promising is the fact the Council now has plans firmly in place to correct the problems that have held up the opening of the Busway between St Ives and Cambridge. By having new contractors ready to go we will try and make sure there are no further unnecessary delays, but until the route is handed over by BAM Nuttall we are very much in their hands. Cambridgeshire deserves the very best and the costs of correcting BAM Nuttall's defective works will be deducted from the contractor and not paid for by taxpayers.

### **Six outstanding issues to be addressed on the St Ives to Cambridge section:**

Maintenance track - some areas of the track have been built at too low level which means rain water has collected and the maintenance track is flooded. These areas of the track need to be raised without affecting the flood balance in the area.

\*Rubber tyres - An acceptable Fire Risk Assessment and Fire Safety Report is required by the County Council to show the tyres are suitable to be used to help drain The Busway track.

\*Beam expansion gaps - The County Council requires the contractor to show that the gaps between the beams will allow for expansion of the beams during periods of hot weather while giving a smooth ride for passengers.

\*Foundations - The County Council requires the contractor to show that the use of shallow pad foundations on some short sections of track where deeper piled foundations were originally planned is appropriate. The County Council need calculations to show the track will not move over time reducing the ride quality.

\*St Ives Park & Ride car park - the car park has been built with less than the specified gradient and water is ponding on the surface of the car park.

\*River Great Ouse Viaduct - rain water is leaking through an unsealed expansion joint onto the steel below. If this was not fixed now council taxpayers would pick up future bills for additional maintenance costs.

## **BUSES SET TO RUN ON BUSWAY FOR FINAL TRAFFIC SIGNAL CHECKS**

Buses will be running on the Busway between St Ives and Cambridge next week so contractors BAM Nuttall can carry out final checks to traffic signals along the route. Engineers have already set up the traffic signals but the buses running will help make sure the sensors that trigger the lights to give buses priority at road junctions work as expected. Busway contractors have informed Council bosses they plan to run buses on Thursday 16 December and are placing advance warning signs near junctions along the track.

Residents who have already begun using the route to walk and cycle before it is officially open are being warned buses will be running as the route has been mainly complete - apart from outstanding defects - for many months.

Motorists, pedestrians and cyclists using highways that the Busway cross are also being reminded to observe traffic signals along the route. Buses have already run successfully on every section of the Busway at full service speed but if freezing conditions continue into next week the guided gritter will be used before the buses run on the route between St Ives and Cambridge.

As most of the Busway between St Ives and Cambridge has been in place for some time, but is not yet completed by BAM Nuttall, we have an unusual situation where some people have begun taking advantage of the route to walk and cycle before it has been handed over to the Council. Although visibility on the route is good I would encourage people to use common sense and keep off the concrete track."

### **A report published today has confirmed the Council plans to appoint new contractors to correct defective works on the Busway if BAM Nuttall continues to ignore the problems as expected.**

BAM Nuttall 's Chief Executive made a public statement in April pledging all six defects on the northern section would be fixed months ago. But the contractors have backtracked and now say the works are not defective including a cycleway that is underwater and impassable for more than half the year. The Council and bus operators both want the problems fixed before bus services begin.

At the meeting on 14 December Cabinet Members will be asked to approve fixing some of the outstanding defects once the route is handed over to the Council. The expansion joint included in BAM Nuttall's original design proposal, but not installed by the contractor, at the River Great Ouse viaduct will be fitted to stop water and de-icing salt leaking onto the steel below the bridge that would risk damage to the bridge structure.

Adjustments to the levels of the car park surface and drainage at the St Ives Park and Ride are also needed because water currently collects on the car park BAM Nuttall designed and built. If the route opened before this is corrected it would be a potential hazard during freezing conditions. Council plans are also underway to adjust flooded sections of the cycleway between Swavesey and St Ives, but the work on site will not be able to begin until the cycleway has dried out in the summer. To warn people that parts of the path next to the guideway are flooded, and therefore closed, additional gates will be installed at the entrances to the defective sections with clear warning signs.

BAM Nuttall will be liable for the Council's costs of correcting defective works. The costs will be deducted from the 5% of the contract value that is being held back from BAM Nuttall (called retention) that should be paid to BAM Nuttall after completion. Since February 2009 the Council has also been deducted almost £14,000 a day from BAM Nuttall for late delivery - a total that is expected to exceed £9 million by the time BAM Nuttall complete the project.

BAM Nuttall stated publically last week that they have scheduled all the remaining work to be complete before Christmas but Council Busway bosses doubt the contractor will hit the date the company set for itself.

The Council has always promised to deliver a Busway that is high quality and that's exactly what we plan to do.

Numerous delays by BAM Nuttall have been infuriating for residents, businesses and the Council but the plans we have to correct the necessary defects will make sure the final jobs can move ahead at speed once the route is handed over by BAM Nuttall. It is frustrating that BAM Nuttall has not chosen to make good on their earlier promises and correct all the problems, but if, as we expect, we have to put the defects right

BAM Nuttall will be charged for the costs and not taxpayers.

Councillors and officers working on the project have said for some time that we would all be pleasantly surprised if the contractor finished construction and completed the documentation that acts as a guarantee for the work before Christmas but as expected they are unlikely to hit the date.

### **CAMBRIDGESHIRE'S CHILDREN'S SERVICES CONTINUE TO PERFORM WELL**

Children's services in Cambridgeshire are continuing to perform well, according to Government inspectors.

The team from OfSTED - the Office for Standards in Education – said the large majority of services, settings and institutions were found to be good or better.

"The local authority fostering and adoption agencies are good, as is much of the early years and childcare provision. Provision for children in council care has improved over the last year and now five of eight local authority homes are good," said their assessment.

Inspectors found a very large majority of the county's nursery and primary schools to be good. They said secondary schools and sixth forms do not do quite as well - apart from one sixth form college which was outstanding and another which was good. However, inspectors also reported that "Standards continue to rise in secondary schools and by the age of 16 more than half of young people gain five or more good grades at GCSE - this is better than elsewhere. Those from most minority ethnic groups often do well," they added.

They praised three out of the county's four pupil referral units, but said the fourth - which was judged as inadequate in 2009 - was not improving quickly enough.

The assessment found that parents of disabled children showed higher than average levels of satisfaction with local health services. Cambridgeshire has a low rate of teenage conceptions, and the number of young women under the age of 18 who become pregnant is falling at a faster rate than nationally," it added.

Safeguarding was also praised - inspectors said ongoing improvements to safeguarding arrangements and service delivery had impacted positively on outcomes for children and young people. There are strengths in the arrangements for ensuring that children are safe within their communities.

"A recent safeguarding inspection reported that political and managerial leadership demonstrate good ambition and commitment to service improvement," they said.

Inspectors also said child carers, nurseries, secondary schools and colleges were good at helping children and young people do well and enjoy their learning.

The assessment said the number of students achieving good qualifications is similar to elsewhere, but noted that young people from low-income families do not do as well at the age of 19.

"Almost all outcomes for children and young people are good or improving," the assessment concluded.

The County Council was encouraged to support secondary schools to improve so that more are good or better, and to increase the number of children from low-income families who attain nationally expected levels at 11 and higher level qualifications when they are 19.

Cambridgeshire County Council said it was pleased and encouraged by this assessment. It recognises the considerable efforts of all those involved in seeking to secure the best outcomes for children and young people in Cambridgeshire. It acknowledges our many strengths and reflects our own previously identified priorities. It reaffirms our own judgement of where we are strong and the areas where we could improve.

John Reynolds  
December 2010