



SURREY

Surrey County Council: Unit costs and analysis

September 2014

Introduction

Surrey County Council recognises, and supports, the Government's strategy to keep council tax increases low and the incentive for councils to increase efficiency and productivity to achieve this. In fact, Surrey County Council would go further and be strong advocates of genuine public service activity based costing.

Surrey County Council supports the principle of an upper limit on council tax increases to implement this strategy (i.e. the referendum limit, proposed to be 2% for 2014/15 and 2015/16).

The Council does, however, believe the effect of this current blunt (one size fits all) council tax strategy punishes those efficient councils whilst cushioning less efficient councils because there are councils affected by changing demographics over which councils have no control. For example, the increasing numbers of:

- Older People
- Adult Disabilities (physical and learning)
- School Place numbers (resulting from increased child population).

This booklet sets out to demonstrate that efficient authorities can reduce unit costs in the face of significant increases in need for its services. The impact of higher demand leads to total costs increasing, despite lower unit costs.



David Hodge

Leader

Surrey County Council

People with physical and sensory disabilities

	2010/11	2011 /12	2012/13	2013/14	Three Year Change %
Total Actual Cost(£000)	39,642	41,552	43,839	46,654	17.7%
Total number of people helped	1,743	1,857	1,962	2,117	21.5%
Cost per person helped (£)	22,744	22,376	22,344	22,038	-3.1%
% decrease		-1.6%	-0.1%	-1.4%	
Inflation (CPI)		3.00%	2.40%	1.80%	

People with physical and sensory disabilities: Key Information

- The number of people with physical and sensory disabilities helped by the council has increased by 21% in the three years to 2014.
- The total cost of this care has risen by 18% over this time.
- The unit cost of looking after each person has reduced in cash terms by 3.1%, while inflation measured by the Consumer Price Index has increased by 7.2%
- The number of people with physical and sensory disabilities is forecast to rise by 13% over the next three years as a result advances in medical care.

People with learning difficulties

	2010/11	2011 /12	2012/13	2013/14	Three Year Change %
Total Actual Cost(£000)	132,051	129,847	137,553	142,019	7.5%
Total number of people helped	3,697	3,927	4,211	4,235	14.6%
Cost per person helped (£)	35,718	33,065	32,665	33,535	-6.11%
% decrease		-7.4%	-1.2%	2.7%	
Inflation (CPI)		3.00%	2.40%	1.80%	

People with learning difficulties: Key Information

- The number of people with learning difficulties helped by the council has increased by nearly 15% in the three years to 2014.
- Surrey has the highest population of people with learning difficulties in England.
- The total cost of this care has risen by 7.5% over this time.
- The unit cost of looking after each person has reduced in cash terms by 6.1%, while inflation measured by the Consumer Price Index has increased by 7.2%.
- The number of people with learning difficulties is forecast to increase by 12% over the next three years as children who previously died in childhood now survive into adulthood.

Older people

(aged over 65 years)

	2010/11	2011 /12	2012/13	2013/14	Three Year Change %
Total Actual Cost(£000)	194,181	200,738	212,925	219,908	13.2%
Total number of people helped	8,020	8,238	8,438	8,797	9.7%
Cost per person helped (£)	24,212	24,367	25,234	24,998	3.2%
% increase		0.6%	3.6%	-0.9%	
Inflation (CPI)		3.00%	2.40%	1.80%	

Older people: Key Information

- Surrey County Council helps and looks after older people in their own homes or in residential homes.
- The number of older people helped has increased by nearly 10% in the three years to 2014.
- This increase is expected to accelerate to 14% over the next three years to 10,030.
- An increasing number of people cared for are aged over 85 years and have more complex and expensive needs.
- The overall increase in the cost per person is half of the rate of inflation of the same period

School Places

	2010/11	2011 /12	2012/13	2013/14
Total Actual Capital Spend (£000)	6,669	6,116	20,534	42,176
Total number of school places delivered	705	810	1,695	2,852
equivalent to;				
Primary classrooms	23	27	56	95
or				
Primary schools	1.5	2	4	7

	2014/15	2015/16	2016/17	2017/18
Planned number of school places	3,800	4,000	3,000	3,050
equivalent to;				
Primary classrooms	120	107	100	101
or				
Primary schools	8.5	7.5	7	7

The latest School Basic Need Capital Programme:

Average planned cost per primary school place	£14,000
Average planned cost per secondary school place	£24,000

School places: Key Information

- The number of school places provided each year in Surrey has risen by over 150% since 2010. The delivery of school places up to now has largely been through temporary demountables, adaptations and small extensions.
- This increase is set to continue with a further 10800 places needed over the next three years. The current school basic need capital programme reflects the increased need for new builds and large extensions.
- Surrey is working in partnership with Hampshire County Council to procure additional school places at the best price.
- The number of additional primary school places the council has provided each year from 2008 to 2013 is shown in the table below.

2008	435 places
2009	480 places
2010	705 places
2011	810 places
2012	1695 places
2013	2,852 places

- In addition, over the next four years the council is planning the following additional places.

2014 - 19	13,850 places
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- This is a combination of bulge classes, permanent expansion schemes and a small number of schemes where there has been an alignment of irregular admissions numbers.
- Over the last year, Surrey has experienced its highest ever birth rate. This will further increase the need for school places within the next five years

Children's Service

	2010/11	2011 /12	2012/13	2013/14	Three Year Change %
Total Actual Cost(£000)	95,049	93,546	93,772	93,653	-1.5%
No. Of Children	2,497	2,617	2,903	2,955	18.3%
Cost per child helped (£)	38,065	35,746	32,302	31,693	-16.7%
% decrease		-6.1%	-9.6%	-1.9%	
Inflation (CPI)		3.00%	2.40%	1.80%	

Children's Service: Key Information

- Since 2010, Surrey County Council has reduced total expenditure on Children's services and managed an increased case load.
- Public attention on child protection has increased over recent years, leading to an increase in referrals and child protection cases.
- The average number of referrals has increased from 500 per month on April 2010 to over 700 per month in April 2014
- The unit cost of protecting and caring for children has decreased by more than 16%, while inflation measured by the Consumer Price Index has increased by 7.2%.

Library Service

	2010/11	2011 /12	2012/13	2013/14	Three Year Change %
Total Actual Cost (£000)	19,564	20,279	20,030	19,049	-2.6%
No. Of Physical Visits	4,105,909	4,030,563	3,763,487	3,858,348	
No. Of Virtual Visits	3,161,022	3,795,167	4,214,828	3,987,753	
Total No. Of Visits	7,266,931	7,825,730	7,978,315	7,846,101	8.0%
Cost per visit (£)	2.69	2.59	2.51	2.43	-9.8%
No. of Issues - Books	5,848,801	5,773,804	5,718,725	5,686,546	
No. of Issues - Other	315,418	300,526	276,249	254,484	
No. Of Stock Issues	6,164,219	6,074,330	5,994,974	5,941,030	
Cost per Issue (£)	3.17	3.34	3.34	3.21	1.0%
% increase		5.2%	0.1%	-4.0%	
Inflation (CPI)		3.00%	2.40%	1.80%	

Library Service: Key Information

- Total expenditure beginning to reduce from restructuring activities
- Further reductions in future years as a result of Community Partnered approach (9 Community Partner Libraries in Surrey)
- Ongoing reduction in physical visits, but offset by increased on-line use of the library service
- We believe Surrey is the only County/Council not to close a single Library and we will continue to explore expansion of Community Partner Libraries throughout Surrey where opportunities arise.

Fire & Rescue Service

	2010/11	2011 /12	2012/13	2013/14	Three Year Change %
Total Actual Cost(£000)	41,017	41,434	41,636	43,657	6.44%
No. Of Incidents Attended	10,936	10,736	9,851	10,996	0.55%
Cost per Incident (£)	3,751	3,859	4,227	3,970	5.85%
No of Properties in Surrey	487,467	489,784	493,033	513,270	
Cost per Property (£)	84.14	84.60	84.45	85.06	1.08%
Population	1,109,700	1,113,200	1,127,300	1,135,500	
Cost per head of population (£)	36.96	37.22	36.93	38.45	4.02%
% increase		0.70%	-0.77%	4.10%	
Inflation (CPI)		3.00%	2.40%	1.80%	

Fire & Rescue Service: Key Information

- Costs are being managed by staff & management restructuring activities.
- Further reduction in future years expected from rationalisation of fire stations
- Severe weather and major flooding issues in winter led to an increase in incidents and costs in 2013/14.
- Surrey County Council is working with other blue light services as a part of Public Sector Transformation.
- Increase in costs is below the level of inflation over the same period

Highway maintenance

	2010/11	2011 /12	2012/13	2013/14	Three Year Change %
Total Actual Cost – revenue (£000)	29,152	25,323	27,770	33,067	13.4%
Miles of road	2,983	3,020	3,020	3,100	3.9%
Cost per mile (£)	9,773	8,385	9,195	10,667	9.15%
% increase		-14.20%	9.66%	16.00%	
Inflation (CPI)		3.00%	2.40%	1.80%	
Total Actual Cost - Capital re-surfacing (£000)	3,951	4,919	12,225	31,778	704%
Miles of road resurfaced	10	14	38	83	730%
Cost per mile resurfaced (£000)	395	351	322	383	-3%

Highways maintenance: Key Information

- Key Strategy policy decision by the Council Leadership to increase spending on road maintenance to meet the council's residents and customers' needs.
- Total expenditure includes road maintenance and repairs, drainage, tree maintenance and safety.
- The unusually severe weather over the winter months led to an increase in the emergency repairs required to roads, leading to increased expenditure
- A key issue for the council is the failure by Government to recognise the level of traffic in the county of Surrey in its grant allocation mechanisms. Therefore the council continues to present the case that all assessment decisions should include traffic levels on roads as one of the 4 key elements of damage to highways.

Waste disposal

	2010/11	2011 /12	2012/13	2013/14	Three Year Change %
Total Actual Cost(£000)	49,518	50,291	52,466	55,221	11.5%
Total tonnage waste	547,110	545,890	536,839	565,608	3.4%
Cost per tonne (£)	90.51	92.13	97.73	97.63	7.9%
% increase		1.79%	6.08%	-0.10%	
Inflation (CPI)		3.00%	2.40%	1.80%	

Waste disposal: Key Information

- Total tonnage waste includes household waste and municipal waste.
- % of waste being sent to landfill is significantly reducing as a result of investment activities with Waste collection agencies (District & Borough Councils) to improve recycling.
- This has avoided the more expensive landfill tax of £80 per tonne. This could be as much as £2.0m additional cost to Surrey

Contact centre

	2010/11	2011 /12	2012/13	2013/14	Three Year Change %
Total Actual Cost(£000)	3,846	3,695	3,166	3,175	-17.4%
No. of calls	439,968	471,957	522,314	495,952	12.7%
Cost per call (£)	8.74	7.83	6.06	6.40	-26.8%
% increase		-10.4%	-22.6%	5.6%	
Inflation (CPI)		3.00%	2.40%	1.80%	

Contact centre: Key Information

- Costs are being managed from restructuring activities and extending the remit of the contact centre.
- Traffic is directed to on-line solutions where possible

Property

	2010/11	2011 /12	2012/13	2013/14	Three Year Change %
Total Actual Cost(£000)	32,609	31,414	27,248	26,218	-19.6%
SCC Full Time Equivalent Employees	7,174	7,195	7,391	7,357	2.6%
Cost per FTE (£)	4,545	4,366	3,687	3,564	-21.60%
% increase		-3.9%	-15.6%	-3.33%	
Inflation (CPI)		3.00%	2.40%	1.80%	

Property: Key Information

- Reductions in costs being achieved from rationalisation of the office portfolio and energy efficiency investment.
- Further reductions planned from staff restructuring and enhanced use of technology.
- Full time equivalent staff has increased as the council has filled vacancies with permanent staff rather than more expensive agency staff, brought back staff from the private sector at reduced costs to County, and the transfer of new services, such as Public Health.

Information Management Technology

	2010/11	2011 /12	2012/13	2013/14	Three Year Change %
Total Actual Cost(£000)	23,814	23,865	26,629	23,596	-0.9%
SCC Full Time Equivalent Employees	7,174	7,195	7,391	7,357	2.6%
Cost per FTE (£)	3,319	3,317	3,603	3,207	-3.38%
% increase		-0.1%	8.6%	-11.0%	
Inflation (CPI)		3.00%	2.40%	1.80%	

Information Management Technology: Key Information

- Key Strategic policy decision to spend more on technology to achieve efficiencies throughout the organisation.
- Underlying savings have been achieved from a number of external contracts
- Savings of nearly £3.0 on SAP and networks from 2012/13 to 2013/14.
- The costs of IMT include
 - Systems applications
 - Voice and data networks
 - Data Centre
 - Help desk
 - Hardware support

Staff Sickness

	2007/8	2008/9	2009/10	2010/11	2011 /12	2012/13	2013/14
Time lost per FTE (Days)	13.08	10.34	8.89	7.58	7.83	7.95	7.44
Value of time lost to sickness (£000)	12,721	10,056	8,646	7,372	7,615	7,732	7,236
% increase		-20.9%	-14.0%	-14.7%	3.30%	1.54%	-6.41%

Staff Sickness

- The number of sick days lost per FTE is shown here in line with the Office for National Statistics calculation. This provides a consistent measure with long standing historical comparisons
- The value shown is that of the lost time. It is not the additional cost of time lost due to sickness
- Surrey County Council has put in place a number of measures to reduce time lost due to sickness, and this is shown in the declining trend. It compares well to the average local government figure of 9.4 days lost per FTE and the private sector of 7.7 days per FTE
- In August 2013, SCC introduced the sickness dashboard providing live up-to-date sickness data to line managers. To enable these managers to focus their efforts upon the staff currently within their control, data for those employees who left the Council is now excluded from the dashboard. By this measure the days lost through sickness per FTE is 6.44

