



# Budget Scrutiny Committee Report November 2015



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# Introduction and Committee Membership

The Budget Scrutiny Committee [referred to as 'the Committee' throughout this report] was established in 2015 following a review of the Council's Overview and Scrutiny arrangements in 2014-15. The Committee provides a dedicated, cross-party consideration of the Council's annual budget and finances. The Committee's Terms of Reference may be found at Annex A. For the Council year 2015-16, the Committee is composed of Councillors Ric Brackenbury, Robin Bradburn, Margaret Burke, Peter Cannon, Maggie Geaney, Peter Geary, David Hosking, Mohammed Khan, David Lewis, Gladstone McKenzie and Gerald Small. Elizabeth Richardson serves as the Overview and Scrutiny Officer.



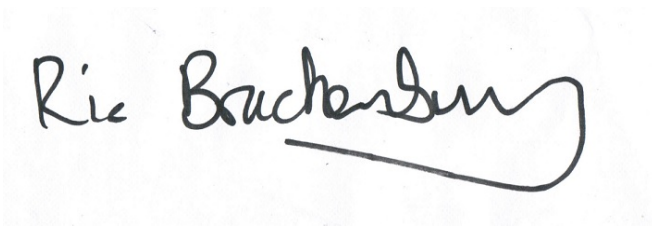
The purpose of this report is:

- (i) to outline the work the Committee has carried out to scrutinise 2016-17 budget pressures on Service Groups, the policy context, key changes and the proposed strategies for dealing with these pressures.
- (ii) to present the Committee's recommendations to Cabinet on 9 November 2015 so that they can be considered as part of the development of the 2016-17 budget and the Medium Term Financial Plan during November 2015.

During October 2015 the Committee held a series of focussed meetings where it met with and received presentations from Cabinet Members and the Council's senior budget holders to review, scrutinise, and form judgements on the financial environment as part of the development of the 2016-17 budget and the Medium Term Financial Plan.

This report is the result of the Committee's deliberations following its October draft budget scrutiny meetings. It also contains a detailed referral to cabinet relating to

Home to School Transport arising from its meeting on 24 September, which is relevant to the budget setting process due to the significant budget pressure in this area. On behalf of the Committee I commend it to Cabinet and the wider Council.

A handwritten signature in black ink that reads "Ric Brackenbury". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Councillor Ric Brackenbury  
Chair, Budget Scrutiny Committee  
November 2015

# Committee Summary

In addition to its standard work programme, the Committee met four times in October 2015 and considered budget pressures on Service Areas as follows:

<b>Date</b>	<b>Directorate</b>
8 October 2015	<b>Resources and Commercial Development</b>
15 October 2015	<b>Place:</b> <ul style="list-style-type: none"><li>• Housing</li><li>• Planning and Transport</li><li>• Public Realm</li></ul>
20 October 2015	<b>People:</b> <ul style="list-style-type: none"><li>• Community Facilities</li><li>• Adult Social Care</li><li>• Children and Families</li></ul>
22 October 2015	<ul style="list-style-type: none"><li>• Corporate Core</li><li>• Strategic Overview</li><li>• Write Up</li></ul>

At the October meetings the Committee asked council officers and Cabinet Members to provide further information or clarification concerning various items which were discussed at the meetings. Details of the requests for additional information are included at Annex B.

The agenda, reports, presentations and minutes for each of the above meetings are available on the Council's website at: [http://milton-keynes.cmis.uk.com/milton-keynes/Committees/tabid/62/ctl/ViewCMIS\\_CommitteeDetails/mid/572/id/1003/Default.aspx](http://milton-keynes.cmis.uk.com/milton-keynes/Committees/tabid/62/ctl/ViewCMIS_CommitteeDetails/mid/572/id/1003/Default.aspx)

# Acknowledgements

The Committee would like to thank all Cabinet Members and officers who assisted with preparing documents and presentations, giving up their time to speak at the meetings and their assistance in supplying supplementary information when requested to do so.

In particular, the Committee is grateful for the diligence and patience of Elizabeth Richardson in managing the Committee through an intense workload, and for Tim Hannam (Corporate Director Resources), Nicole Jones (Service Director [Finance and Resources]), and James Smith (Head of Financial Planning) in producing relevant documentation for scrutiny both at the Challenge Meetings and regularly throughout the year.

The Chair would also like to thank Councillors Burke and Hosking for their vital input and support as Vice-chairs, and Councillors Brunning and McDonald for their input as substitute members of the Committee.

# Executive Summary

This report is written in a climate of continuing financial constraint, with the Council having to find £24.3m of savings in the 2016-17 financial year. Although the headlines are dominated by funding reductions to councils, in Milton Keynes the greatest challenges are in demand pressures on services, due to the growth of the borough and extra demand for key statutory services. This will mean that the need to find savings and efficiencies across the Council will have to continue long beyond the funding reductions from Government, unless the demands on the Council reduce.

The upbeat tone of the Committee's evidence gathering meetings was therefore something of a surprise. The Committee heard from Cabinet Members who had mostly been in place for over a year, knew their portfolios well and were relishing tackling the longer-term issues strategically. There are areas pressing ahead with strategic plans, and others – notably temporary housing and commercialisation across the Council – where fine words and ideas have not yet resulted in the delivery the Council needs. Unsurprisingly after the General Election, the Committee found greater acceptance that funding reductions would continue, and that the onus was on the Council to react to this across the medium term.

The Committee once again took a strategic approach to the issues it reviewed, considering the most significant issues affecting each service area, both by value and also by public impact. It is clear that there are three areas where the demand pressures dwarf all others:

- Child Social Care;
- Adult Social Care;
- Homelessness.

The Committee has considered these areas in detail during its deliberations, and makes recommendations where it believes certain issues would benefit from a greater focus. Managing the pressures in these three service areas will be crucial to setting and delivering budgets for the next few years, not just 2016-17.

This report is split into three sections, firstly commenting on the overall strategic approach to the budget which has been presented. Secondly, the Committee's response to the individual Cabinet Member presentations within each Service Area is covered, and finally specific Individual Pressures are noted where the Committee feels it can add value.

The Committee has made a series of recommendations where it has found a lack of clarity or priority in certain areas, or where risks have been identified in making changes. The Committee believes a draft budget accepting these recommendations will be a stronger and bolder budget for Milton Keynes, and asks the Administration to incorporate them when presenting their draft 2016/17 budget proposals at Cabinet in December.

# Recommendations

All recommendations (except number 7 which is directed to the Scrutiny Management Committee) are offered to the Cabinet in the hope that they will prove useful in developing the 2016-17 budget, to the Council and residents of Milton Keynes so that the wider issues raised may be properly considered and for greater understanding of the financial environment the Council finds itself in. The context for each recommendation is covered in more detail in the following sections.

- 1) That the Cabinet ensures that 'Different' is clearly understood and not used to justify inappropriate and high risk experiments.
- 2) That plans to assign each saving to one of the three strategic principles be abandoned.
- 3) That sponsoring officers review the descriptions of the budget pressures in their area, considering both the level of clarification asked for by the Committee and how clear the text is to a member of the public reading them in a consultation paper, adding additional detail where appropriate.
- 4) That the recruitment of additional foster carers in Milton Keynes be made a political priority for next year.
- 5) That further action be taken [on specific issues] associated with the costs of providing the Home to School Transport Service.
- 6) That a review of options for additional capacity at the Residual Waste Treatment Facility be commissioned and linked to the new Waste Strategy.
- 7) That the Scrutiny Management Committee be requested to establish a Task and Finish Group to scrutinise the preparation of the Council's new Waste Strategy.
- 8) That gross figures for the cost and anticipated saving for each included proposal to deal with the housing pressures be provided within the draft budget.
- 9) That business cases should be provided for each proposal to mitigate the housing pressures.
- 10) That if proceeding with these proposals an implementation plan for the transition be formed.
- 11) That consideration be given to offering a chargeable service to take away business waste at commercial rates in addition to the the current domestic service.
- 12) That pressure **P36** should not be included in the draft budget proposals.
- 13) That the Council's commitment to the International Festival be shown by converting pressure **OP17** to base budget spend.
- 14) That the Community Asset Transfer Programme Strategy be refreshed.
- 15) Consider what level of savings could be generated without the spend on **OP5**, or at a lower level, to obtain assurance that this investment represents value for money for the Council.



# Overall Strategy

The Committee has seen far more evidence of a strategic approach to the 2016-17 budget than was apparent at this stage in the previous year. Cabinet Members overall have a greater knowledge of their portfolios and the strategic direction and constraints that they are operating in. This may be no surprise in the second year of an administration, but it is welcome nevertheless, and led to more informed discussions across a range of areas in the evidence-gathering meetings.

The Cabinet has agreed 3 financial principles to guide the budget-setting process:

- **Smarter** – Being more efficient, reducing costs, improving customer service / strategic commissioning to deliver better outcomes;
- **Sustainable** – Transforming services to make them sustainable, enabling communities, working with partners, managing demand / growth;
- **Different** – Being more commercial, generating income, taking advantage of new opportunities.

These are more helpful than the loose “co-operative council” strategy of the previous year, give a clear direction to council officers and outside organisations, and allow Scrutiny to judge not just whether individual proposals are robust and supported, but also the extent to which the Administration’s strategy is being met.

## **Recommendation 1:**

**That the Cabinet ensures that ‘Different’ is clearly understood and not used to justify inappropriate and high risk experiments**

While the Committee endorses the principles of Smarter and Sustainable, it is less convinced by Different. Sometimes there are good reasons why particular schemes or approaches to issues have not been trialled by others. Equally, the Council should not be put off adopting ideas that have proved successful elsewhere, even if it would mean copying others. Where this refers to the commercialisation agenda (and income generation more widely) then it is ‘Different’ compared to what the Council has previously done, but not necessarily from other authorities (and businesses) around the country.

The Committee is also concerned that the drive to be ‘Different’ may also encourage excessive risk and downplaying the costs of change. All proposals involving significant change for the Council should be effectively risk-assessed and proceeded with only when a robust business case is in place where risk levels can be acceptably managed. Although the Committee does not recommend that the word ‘Different’ is changed, it recommends that the Cabinet clarify the accompanying description to avoid any doubt, incorporating risk management and business cases.

These three principles should guide the savings that are brought forward. However, the Committee has noted that each savings proposal will be assigned one of these three categories. The Committee does not support this approach; the three principles have to be taken together, and some proposals will inevitably meet more than one, and others none. In fact, these principles provide a useful way to judge the extent that proposals align with the strategy.

In particular, the Committee sees a risk that where proposals are neither smarter nor different, they will simply be marked as sustainable by default. Sustainable should not just be a shorthand for 'we can't afford to do this' – instead it should be a more strategic approach to saying what will the service look like going forward in a way that can be stable and successful.

**Recommendation 2:**

**That plans to assign each saving to one of the three strategic principles be abandoned**

The Committee welcomed the establishment of the Commercial Development Board and Commercial Operations Board to manage smaller commercial proposals and larger strategic proposals respectively. Ideas such as borrowing for renewable energy generation on council facilities are welcome, and the Committee hopes to see these implemented swiftly. These build on recommendations that the Budget Review Group made last year, and it appears the enormity of the task to take commercial ideas and make the viable ones happen has been recognised. Although there is progress, the proof will be in the delivery. The Committee hopes to see the first fruits of this approach in the draft budget, and that these two boards will soon be able to demonstrate their effectiveness by the schemes they have put into practice.

The Committee generally found the format of the budget papers clear and helpful, however there were examples where the description of individual pressures was vague and needed clarifying during the evidence-gathering meetings. The Committee was mindful that these papers would likely form part of a public consultation later in the year, and that members of the public would not have the same level of opportunities the Committee had in obtaining clarity on what some of the proposals were actually about.

**Recommendation 3:**

**That sponsoring officers review the descriptions of the budget pressures in their area, considering both the level of clarification asked for by the Committee and how clear the text is to a member of the public reading them in a consultation paper, adding additional detail where appropriate**

# Individual Service Areas

The Committee offers the following comments on each of the Service Areas that gave evidence. To reflect the Committee's approach within this report, they are ordered by the total amount of ongoing pressures anticipated within the service area in 2016-17, rather than the order in which the Committee interviewed the Cabinet Members.

This report does not list all the pressures for each one (the next section details where the Committee wishes to comment or challenge individual pressures) but instead outlines the Committee's understanding of the service and the financial environment in which it operates. In all cases the report is by exception; where there is no comment the Committee did not feel there was any way it could add value to the Service Area's strategy and proposals.

## A. Children and Families

Demand pressures are extremely high, and there seems to be no prospect of them reducing in future years, due to population growth and demands on child social care. Milton Keynes is keen on growth; however this is an area where the Council has to face the costs and consequences as a result. The Committee also recognises that the Council has very limited room to manoeuvre given the precise legislative requirements of these services.

Innovation such as in family drug and alcohol courts is welcome, as are plans to extend to other areas / services. However this is a small part of the budget and unlikely to generate significant savings in the overall budget – but it may make a significant difference to the lives of those using it.

One area where political focus would make a difference is in recruiting extra foster carers. The Committee heard that each new foster carer could save £20k in external placements (and more for special needs cases) as well as adding a social value that cannot be expressed in pounds and pence.

This summer, following the media coverage about the refugee crisis, groups have formed in Milton Keynes of people willing to offer places to refugees. The Committee believes that this shows, albeit in a very different context, that when the need is made clear, there are people with a generosity of spirit and the willingness to respond.

### **Recommendation 4:**

**That the recruitment of additional foster carers in Milton Keynes be made a political priority for next year**

Engage with groups such as parishes, churches (and other faith groups) local charities, and MK Refugee Resettlement Group, making clear how acute the need is for new foster carers in Milton Keynes.

The Committee also heard at the meeting held on 24 September about overspends on home to school transport. The Committee was particularly concerned that this budget was the result of ramifications from policy decisions (and failures) elsewhere, such as having to house families outside the borough

and school places too far from areas of demand, as well as decisions by individual schools to change their hours, with an impact on the costs of transporting children at these new times.

However, actions were being taken. These included a review of which schools students attended, reviewing historic eligibility decisions, and trying to make routes more efficient. The Committee was not satisfied that the actions taken would fully address the issues and felt that further options should be considered.

**Recommendation 5:**

**That further action be taken on the following issues associated with the costs of providing the Home to School Transport Service:**

1. Look critically at the number of providers. Would a smaller number of contracts deliver efficiencies through a different approach? Or would engaging more individual drivers be smarter?
2. Could the Council share journeys with other local authorities where we take to / collect from out of the borough?
3. Are there situations where improving redways and rural cycle paths (or simply the promotion of the existing networks) would enable bicycles or other motorised transport to meet the need, through providing safer routes to schools?
4. Could the Community Transport service be integrated to provide a single joined up service?
5. Partnership working with schools to put forward proposals to change their hours slightly where this would provide significant savings. Being more robust with schools that make changes which worsen the travel costs, and ensuring that any agreements made benefit both parties.
6. Look for opportunities to take fee-paying students where there is already a coach / car making a journey, to meet some of the cost.
7. Consider whether an independent expert opinion would be useful, such as a peer review or audit, so that an informed vision can be taken of how effective the management strategies are.

## **B. Adult Social Care and Health**

Although the demand pressures are again significant and certain to continue, there is far more choice and flexibility in how services are delivered, compared to children's services. Indeed there were welcome signs of innovative approaches being considered, such as invest to save initiatives. Suzanne Joyner will be much missed when she moves on and the Committee wishes her well.

Given the quick returns on investments, the Committee has no problem with the principle of invest to save proposals within this Service Area. However the Committee is unable to pass comment on the specific pressures highlighted as it was given no clarity over the proposed savings to accompany them – either operational or financial – and it was frustrating not to see the whole picture. In

addition, it became clear that the labels attached to some of the pressures bore little connection to what officers understood these pressures were funding.

This means the Committee is unable to advise on whether various pressures (**P5**, **P6**, **OP7**, and **OP8**) are appropriate and will need to return to these in January if confirmed in the draft budget. As a result, the Committee is unable to make reasoned recommendations at this stage.

The Committee was unconvinced that adult social care services are appropriate services to involve parishes in management (e.g. of day centres). Universal services within the Place directorate (such as landscaping which is already happening in some areas) seem more likely to bear fruit and there is a risk that smaller parishes will either be left behind or lose their identity if forced to join with other local parishes.

The Committee looks forward to the trailed proposal at November Cabinet about reducing costs by forming an arms-length company for homecare services, although the Committee has not scrutinised it in detail. If the cost reductions are as suggested, the Committee is surprised that this has not been done before. The Committee suggests that efficiency of service should be a key driver in considering and implementing this proposal.

## C. Cross-Council

All the pressures discussed reflect legislative changes or the impact of past decisions. However, the Committee believes there are greater opportunities coming from the Residual Waste Treatment Facility, scheduled to be operational in 2016, than have currently been allowed for. The Committee also believes that there is nothing 'selfish' about seeking to maximise the use of this facility and the income generated, given the risk and borrowing costs that the Council has exposed itself to on this project.

Although a contract has been agreed to sell excess capacity to a neighbouring authority, generating £1.5m income a year, there is an opportunity to consider how capacity can be extended, or what incentive we now have to reduce waste levels in Milton Keynes (as any reduction can then be sold in terms of spare capacity.)

The Committee was concerned that these figures were not to hand, and had to ask for them to be supplied. They indicate that a 1% reduction in black sack output would provide spare capacity of around 500 tonnes that could be sold – this could present a substantial saving if achieved. This is an example of how significant an asset this is to the Council and these considerations should not be delayed.

### **Recommendation 6:**

### **That a review of options for additional capacity at the Residual Waste Treatment Facility be commissioned and linked to the new Waste Strategy**

Consideration should be given to expanding the site capacity and decreasing the black sack volume per household. Urgent investment in increasing recycling and

decreasing black sack waste should also be considered if this can be justified by the additional income the spare capacity would generate.

**Recommendation 7:**

**That the Scrutiny Management Committee be requested to establish a Task and Finish Group to scrutinise the preparation of the Council's new Waste Strategy**

The decisions made within this strategy will have a significant bearing on the income-generating capacity of the Council for the medium term and it is vital that good decisions are made with cross-party buy-in to the vision.

## **D. Housing and Community**

Although only one pressure was presented to the Committee (for increased use of temporary accommodation to prevent homelessness) there seemed little denial that this budget area was out of control.

The Cabinet Member outlined a number of strategies which were being considered, including leasing temporary accommodation, becoming a private sector letting agent, looking to convert offices into residential properties, and investing in a property fund (which has since been approved by Full Council.)

While it was pleasing to see supply-side solutions being brought forward, rather than just attempts to restrict demand, the Committee was not convinced that ideas were enough by themselves. Given the scale and the urgency of the issue, the Committee would have been more reassured by a clear strategy for mitigating the pressure, rather than a series of ideas which may or may not have been deliverable, or made a significant dent in the housing shortage. In addition, a single pressure figure gives little insight into the relative merits of each of the proposed schemes.

Should the Council prove successful at reducing temporary placements outside the borough, there will be far wider savings, such as reduced transport costs, from increasing our accommodation stock, which may present a saving in its own right (as well as providing a far better service from the tenants' perspective)

In the absence of a Housing Committee, which would have been ideally placed to review the various ideas, the Committee undertakes to focus on the various proposals within the draft budget to mitigate the housing pressure in January, if recommendations 8 and 9 are agreed.

**Recommendation 8:**

**That gross figures for the cost and anticipated saving for each included proposal to deal with the housing pressures be provided within the draft budget**

It should be made clear (through an additional annex as needed) what level of saving is anticipated through which proposal, as well as the overall effect.

### **Recommendation 9:**

#### **That business cases should be provided for each proposal to mitigate the housing pressures**

These may need to be shared with the Committee on an exempt basis if justified.

## **E. Public Realm and Planning**

The Committee would like to congratulate Councillor Legg for being the only Cabinet Member who fully took up the opportunity to discuss the strategic options he was considering in his portfolio area and for taking the opportunity of the evidence gathering sessions to obtain some feedback himself. This was true to the spirit of what the Committee was hoping for this year, and a model for other Cabinet Members to follow in future.

Much of the discussion was around the current Waste Strategy which was coming to an end, and the opportunities for rethinking waste and recycling. In particular, the Committee was asked for views on replacing pink sacks with either wheelie bins or re-usable sacks. Overall, the Committee felt that higher recycling rates were the ultimate aim, to be achieved through making recycling as easy and convenient as possible. Pink sacks were not in themselves the goal. The Committee understood the argument that providing pink sacks every year was neither Sustainable nor Smarter, and also recognised that since the removal of the black sack supply, and the 5p charge for plastic bags from large shops, there was a risk that pink sacks would be used other than for recycling.

The Committee had concerns over the additional time needed for collection if bags/bins had to be returned to individual properties, which might negate the saving; the Council's Head of Environment and Waste highlighted this at a previous meeting, discussing options around whether to collect waste and recycling from wheelie bins. The Committee also noted issues and risks inherent in changing how recycling was collected: would there be a transition period while stocks of pink sacks ran down? How would the Council ensure the change was fully publicised? Could the rates of recycling dip while the change was bedding in? Would householders be penalised for using the bags incorrectly from the start?

The Committee briefly considered whether a premium service could be offered, where a charge was made to cover the costs of issuing pink sacks, but was concerned that this would give the impression that the Council was charging for recycling and this would need very careful presentation.

The Committee felt that, given the potential savings, alternative approaches should at least be trialled, although it was hesitant about the use of wheelie bins.

### **Recommendation 10:**

#### **That if proceeding with these proposals an implementation plan for the transition be formed**

This would need to include communication, how to manage existing stocks of pink sacks, whether to phase implementation and careful monitoring of recycling rates.

### **Recommendation 11:**

#### **That consideration be given to offering a chargeable service to take away business waste at commercial rates in addition to the the current domestic service**

The Committee considered that there were income generation possibilities here and that time was currently wasted fielding enquiries from non-domestic clients before turning these away.

The Committee also noted that green waste is currently taken to Cambridge for processing. Given the Council's success in constructing its own Residual Waste Treatment Facility, this process should be reviewed as to whether it is still the optimal solution or whether the Council could manage its own digester.

While the presentation from the Service Director for Planning and Transport was very interesting, no financial pressures were identified and there is little the Committee can usefully report back to Cabinet here.

## **F. Resources**

As with the cross-council issues, the ongoing pressures here generally reflect legislative and other external changes over which the Council has no influence. However, the Committee has concerns over the one-off pressure to top up the insurance reserve (**OP3**) together with the ongoing pressure (**P36**) for increased highways insurance liabilities. These seem compatible neither with each other, nor with the assurances from officers that these pressures are merely a 'tail' from past claims, which are disappearing due to the £50m investment programme in highways.

Additional information relating to claims has been supplied since the evidence gathering meeting. This shows the main change being the proportion of insurance claims which are repudiated (from around 64% to 85% in 3 years). Even taking into account that some claims relate to housing issues, the additional information does not support the need for additional base budget funding and the officer defence of **P36** as a base budget item was notably unconvincing.

### **Recommendation 12:**

#### **That pressure P36 should not be included in the draft budget proposals**

Inclusion of **P36** in the draft budget is not supported by the information provided to the Committee, and is a poor fit with the Administration's financial priorities. The Committee suggests that if this funding is available it should be spent on further highway improvements instead.

## **G. Corporate Core**

These pressures were all one-off expenditures to meet specific priorities and the Committee recognises that there can be a fine line between whether an item of spending is exceptional or should be considered the norm. The argument for the spend on the International Festival in particular (**OP17**) being a one-off was weak; the description even describes it as annual spend! The Committee was told that it



is a conscious choice by Cabinet to recommend this funding; however this could apply to almost any spend of the Council.

The International Festival is now well-established in Milton Keynes and enjoys sufficient cross-party support that it would seem more accurate for the Council's contribution to be put into base budget. Indeed, the continuing use of one-off funding for this item could be seen as an accounting trick to avoid having to find savings to fund it and be in breach of the Council's financial rules that one-off funding will be used for one-off expenditure and ongoing funding for continuing spend.

**Recommendation 13:**

**That the Council's commitment to the International Festival be shown by converting pressure OP17 to base budget spend**

Recommendation 12 could be used to provide funding for this.

## **H. Community Facilities**

The Committee recognises the need to sell the benefits of proposals to fund activities such as the 50<sup>th</sup> anniversary celebrations and City Club at a time of finding so many savings. The Committee endorses the suggested principle of low spend – high value in this service area.

The proposed one-off funding for the Community Asset Transfer process may well address the issues raised in the July Full Council motion, and the Committee hopes that this will lead to increased savings through more assets being transferred, and fewer deals falling through. However, it does not address the long term vision for the Community Asset Transfer; does the Cabinet see this going on for several more years, or will the assets which it is feasible to transfer run out? If the former, a base budget addition for these costs may be more appropriate.

**Recommendation 14:**

**That the Community Asset Transfer Programme Strategy be refreshed**

Focus on how the proposed funding in **OP15** will generate savings, and the medium-term future of the programme.

## Specific Pressures

This section highlights the specific costs that the Council will incur, just to provide the same level of service next year as in 2015-16. All references here relate to the numbers supplied on the attachments considered in the Budget Scrutiny Committee meetings, and are taken in the order of ongoing pressures (beginning with P) and one-off pressures (beginning with OP – not the clearest labelling convention!) Pressures are only referred to where the Committee has points to raise not covered above. The Committee has generally focussed on larger items (over £50k) due to their greater significance in the budget setting process.

### **P1 (£235k reduction in the benefits administration grant due to the introduction of Universal Credit)**

The Committee shares the Cabinet's scepticism that the implementation of Universal Credit will lead to a reduced workload – a well-informed member of the Committee described it as an 'appalling system.' In particular, moving to 4 week cycles and direct payments is likely to cause cash flow issues and the inevitable further demand on council services. There is little the Committee can recommend; this is happening regardless of the views of either the Committee or Council, but this pressure may well be the least of the problems in benefits administration over the coming year.

### **P25 (£250k to fund increase of unaccompanied asylum seeking children)**

The volume of unaccompanied asylum seeking children is obviously higher than anticipated across many councils and Milton Keynes is impacted due to the location of the Newport Pagnell M1 service station in the borough. The Committee supports the Council in pushing for fair redistribution across the country and in seeking support from Government due to the unexpected nature of the pressure at the time the budget was set.

### **P33 (£381k due to legislative change no longer allowing overheads to be charged to the Dedicated Schools Grant)**

The Committee believe this should be categorised as a 'Legislative' rather than a 'General' pressure.

### **OP5 (£200k investment in temporary staff for Public Access programme)**

This should be considered alongside P4 - £17k ongoing hosting costs for the Customer Services Portal. This investment is to deliver the public access programme, and further information received by the Committee states that this is for 2 Project Managers, an IT Programme Manager, and a Business Analyst. The Committee remain supportive of the Public Access programme, but are sceptical about the level of spend required to deliver it.

The September presentation to the Committee stated an aim to deliver a cumulative £570k savings target across the Public Access programme. Given the £279k saving agreed in the 2015-16 budget, this implies a maximum of £274k to be saved through this (one-off) investment. This is a significant spend on staff employed for only 1 year who may well need time to get up to speed and understand council processes, and the Committee questions whether this spend is essential to deliver the Public Access programme, and will deliver value for money for the Council.

**Recommendation 15:**

**Consider what level of savings could be generated without the spend on OP5, or at a lower level, to obtain assurance that this investment represents value for money for the Council**

**OP7 (£300k investment to review home care packages)**

The Committee understands the thinking behind commissioning this from outside so as not to disrupt staff day to day work, but is concerned that this will need effective management and sampling of work to ensure that all outcomes are fair, consistent, and in line with the Council's standards had the review been conducted internally. The Council would not be shielded from reputational damage were there to be publicity of adverse outcomes, just because an external company had carried out the review.

**OP26 (£25k for seed funding for inward investment)**

The Committee was supportive of this item but felt that the Council needed to attempt to measure its effectiveness. This can be a challenge for what is essentially a marketing budget for Milton Keynes, both in terms of recognising where inward investment has taken place due to this budget, and in coming up with cost-effective monitoring given the relatively small amount proposed. If this was successful in 2016-17, consideration should be given to putting it into base budget in subsequent years as it would be likely to pay for itself in additional business rates in the medium term.

# Annex A: Terms of Reference

1. To provide dedicated, cross-party consideration of the Budget and the Council's finances with a view to establishing and maintaining resources which are fit for purpose and address the needs and aspirations of the people of Milton Keynes and the Council's priorities.
2. To contribute to the delivery of Council priorities by making recommendations on:
  - a. Priority of services;
  - b. Service efficiencies;
  - c. Value for money;
  - d. Financial strategies
3. To consider and comment on procurement, workforce, ICT and property issues in the light of the Council's Financial Strategy.
4. To monitor the in-year progress of the Revenue and Capital Budgets.
5. To scrutinise and comment upon annual out-turn reports for the Revenue and Capital Budgets and identify learning points.
6. To be consulted during the preparation of the annual Revenue and Capital Strategies and Budgets.
7. To scrutinise the draft Revenue and Capital Budgets.
8. To make recommendations to the Cabinet on any of the above matters at any time and to submit comments to the Council in relation to the Cabinet's proposed Revenue and Capital Budgets at the appropriate time.

# Annex B: Additional Information

BSC requested additional information during the course of its deliberations:

## 8 October 2015

1. Service Director (Public Realm) to provide details of:
  - Total capacity of the RWF;
  - The volume of waste that can be processed without further development;
  - How much will the Council really make? ie Is the projected £1.5m income from selling the spare capacity pure profit or do running/admin costs need to be deducted from this figure?
  - What are the anticipated running / admin costs for the facility?
  - Will the continued growth of MK actually increase the amount of waste that goes to the RWF, thus reducing the saleable spare capacity? Has this been allowed for in the current calculations?
  - If MK was able to reduce the amount of residual waste going to the new RWF by 1%, what would be the increased capacity at the facility that could then be sold on?
2. **OP5** – How many staff in the Customer Service Programme Team are permanent and how many are “bought in”?
3. Corporate Director (Resources) to provide a short briefing on the downward trend of insurance claims against the Council.
4. Revenues and Benefits Service Delivery Manager to provide a short briefing on the data from the Universal Credit pilot schemes on which the Government has based its estimate of the efficiencies which local authorities can achieve due to changes to the benefits system.
5. Service Director (Public Realm) to provide details of how much income the Council received from commercial enterprises last year.
6. Head of Financial Planning to provide 2015/216 budget details for each saving and pressure proposals in time for the January Scrutiny meetings

## 15 October 2015

1. Details of the length of the Council leases on the temporary housing units in Bedford and CMK.
2. Further clarification of the insurance claims profile in Public Realm.
3. More detail on proposed commercial activities in Public Realm.

## 20 October 2015

1. Circulation of the detailed paper by the Finance Manager (Children and Families) on the pressures on Children’s Social Care



## Democratic Services

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### **Overview and Scrutiny**

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