

Cabinet

Monday, 11 January 2016

18:30

Council Chamber

Civic Offices

Councillors MARLAND, O'NEILL, CLIFTON, GIFFORD, LEGG, LONG, MIDDLETON,
and MILES

If you have any enquires about this agenda please contact:

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CABINET PORTFOLIOS 2014/15

	Portfolio
Councillor Peter Marland (Leader)	
Councillor Hannah O'Neill (Deputy Leader)	Housing and Regeneration
Councillor Robert Middleton	Resources and Commercialism
Councillor Matt Clifton	Economic Growth and Inward Investment
Councillor Mick Legg	Public Realm
Councillor Liz Gifford	Community Services
Councillor Nigel Long	Health and Wellbeing
Councillor Norman Miles	Children and School Improvement

A G E N D A

- 1 **Apologies**
Details
- 2 **Cabinet Announcements**
To receive any announcements from the Leader and members of the Cabinet.
- 3[a] **Draft Minutes - 9 November 2015** 9 - 24
To approve, and the Chair to sign, a correct record the Minutes of the meeting of the Cabinet held on 9 November 2015 (Item 3[a])
- 3[b] **Draft Minutes - 30 November 2015** 25 - 32
To approve, and the Chair to sign, a correct record the Minutes of the meeting of the Cabinet held on 30 November 2015 (Item 3[b])
- 4 **Disclosures of Interest**
Councillors to declare any disclosable pecuniary interests, or personal interests (including other pecuniary interests) they may have in the business to be transacted, and officers to declare any interests they may have in any contract to be considered.
- 5 **Deputations and Petitions**
No requests have been received for the Cabinet to receive a deputation at this meeting.

Any further petitions received will be reported at the meeting.
- 6 **Questions from Members of the Public**
To receive questions from residents and electors of the Borough.
- 7 **Councillors' Items**
None received.
- 8 **Councillors' Questions (15 Minutes)**
Councillors to ask questions of the Leader of the Council or a Cabinet Member on issues within their Portfolio.
- 9 **References from Other Bodies**
Children and Young People Committee – 15 December 2015

Cabinet Member's Annual Report

"That the Cabinet:

(a) Ensure that the budget for Children's Social Care, now and

into the future, is adequate to meet the demands on the service and that sufficient monies are transferred into reserves to meet any contingencies; and

(b) Request the Government to ensure that Children’s Social Care is adequately funded.”

10	Learning Disability Services	33 - 50
	To consider Item 10	
11	Sharing Responsibility for Libraries More Than a Library Review and Delivery Plan	51 - 84
	To consider Item 11	
12	Adoption of Parking Standards Supplementary Planning Document	85 - 88
	To consider Item 12	
13	Housing Revenue Account Budget 2016-17	89 - 108
	To consider Item 13	
14	Cabinet Advisory Group on Devolution and Regional Working	

The Council is involved in a number of projects that are potentially very significant for the future of regional partnership working on economic development, transport and related issues. These projects are also considering the opportunities presented by the Government’s devolution agenda. The two principal projects are:

(a) South East Midlands Local Enterprise Partnership (SEMLEP) on devolution; and

(b) Strategic Transport and Infrastructure Forum (Northamptonshire, Oxfordshire and Buckinghamshire plus Milton Keynes and the three Bedfordshire Unitary Councils)

Representation on these projects is via the Cabinet. Given the long-term and strategic importance of these projects it is important to ensure cross-party engagement and understanding. A Cabinet Advisory Group is therefore suggested to advise on the Council’s engagement in relevant projects and, in particular, discuss and comment on papers and propositions that are developed in partnership settings.

It is recommended that a Cabinet Advisory Group on Devolution and Regional Working be established with a 2:2:2 representation.

Contact Officer: Geoff Snelson (Director of Strategy)

- Background Papers: None
- 15 **Milton Keynes Development Partnership - Quarterly Review** 109 - 116
To consider Item 15
- 16 **Revenue and Capital Budget Monitoring Report** 117 - 142
To consider Item 16
- 17 **Revisions to Capital Programme and Spend Approvals** 143 - 154
To consider Item 17
- 18 **Procurement and Commissioning**
To receive the Minutes of the meeting of Procurement and Commissioning held on 17 November 2015

Copy of the Minutes are available at the following link:

[Link to Procurement & Commissioning Minutes - 17 November 2015](#)

Notice of Intention to Hold the Meeting in Private

The public and press may be excluded from the remainder of the meeting by virtue of Paragraph 3 (Information Relating to the Financial or Business Affairs of the Authority) of Part 1 of Schedule 12A of the Local Government Act 1972, in order that the Committee may consider Annexes B and C to the following report:

Shared Services Partnership (LGSS and Milton Keynes)

The Proper Officer of the Council has determined that Annexes B and C to the report should be considered in the absence of the public and press by virtue of Paragraph 3 (Information Relating to the Financial or Business Affairs of the Authority) of Part 1 of Schedule 12A of the Local Government Act 1972, as disclosure would not be in the public interest.

No representations have been received about why those matters referred to above should be considered with the public and press present.

19 **Exclusion of Public and Press**

To consider excluding the public and press from the meeting by virtue of Paragraph 3 (Information Relating to the Financial or Business Affairs of the Authority) of Part 1 of Schedule 12A of the Local Government Act 1972, in order that the meeting may consider the following:

Shared Services Partnership (LGSS and Milton Keynes)

20	Shared Services Partnership (LGSS and Milton Keynes)	155 - 172
	To consider Item 20	

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Minutes of the meeting of the CABINET held on MONDAY 9 NOVEMBER 2015 at 6.30 pm

Present: Councillor Marland (Chair),
Councillors Clifton, E Gifford, Legg, Long, Middleton, Miles and O'Neill

Officers: T Hannam (Corporate Director - Resources), M Bracey (Corporate Director - People), D Sharkey (Corporate Director - Place), N Jones (Service Director [Finance and Resources]), A Rose (Service Director [Planning and Transport]), P Sanders (Assistant Director [Community Facilities]), A Townsend (Revenues & Benefits Service Delivery Manager), S Bridglalsingh, (Head of Legal Services), N Hanley (Community Solutions Programme Manager), F Robinson (Senior Planning Officer) and S Muir (Committee Manager).

Also Present: Councillors Bald, Brackenbury, Bramall, Burke, Crooks, P Geary, Hosking and Wallis and circa 30 Members of the Public

C68 CABINET ANNOUNCEMENTS

Councillor Marland announced that the 2016/17 Council Budget Consultation would take place at Christ the Cornerstone Church at 5pm on Wednesday 11 November 2015.

C69 MINUTES

RESOLVED -

That the Minutes of the meeting of the Cabinet held on 12 October 2015 be approved and signed by the Chair as a correct record.

C70 DISCLOSURES OF INTEREST

None.

C71 QUESTIONS FROM MEMBERS OF THE PUBLIC

(a) Question from Beverley Doe of Make a Difference (MaD) to Councillor Marland (Leader of the Council)

Beverley Doe, asked Councillor Marland (Leader of the Council) with the closure of the Point and the anticipated closure of the Buzsy, what the future provision for young people in Milton Keynes would be.

Councillor Marland clarified that Milton Keynes Partnership owned 401 Eldergate where the Buzsy was located and that the provision for young people was located at 401 Eldergate by Make a Difference (MaD). MaD had been contacted by the appropriate officer colleagues to discuss the issue further, and the future provision for young people was dependant on the outcome of those discussions,

In response to a supplementary question from Beverley Doe who asked if there was another operator in mind for this venue, Councillor Marland indicated that the question would need to be directed to Milton Keynes Partnership as owners of the site.

- (b) Question from Alan Francis to Councillor Middleton (Cabinet Member for Resources and Commercialism)

Mr Alan Francis, indicating that he had not received a response to the question he had asked at the 12 October Cabinet meeting, when he had requested an assurance that the £1.67m taken from Sustainable Transport Projects in the current financial year would be rolled over into further financial years, rather than being lost altogether asked when would he receive the answer.

Councillor Middleton (Cabinet Member for Resources and Commercialism), apologised for the delay in responding and indicated that there was a forecast overspend on the current A421 scheme estimated at about £1.68m which was being investigated by the Audit Committee. Councillor Middleton also summarised how the Smarter Choices funding was allocated within the Capital Programme.

Mr Alan Francis asked a supplementary question about an amount of between £1.2m and £1.6m which was seemingly lost from the Transport budgets and how this would affect the successful implementation of the Local Transport Plan 3,

Councillor Middleton indicated that all service areas across the Council were experiencing cuts to budgets following the Government's recent announcements on reductions to Council budgets. However, the Administration was committed to delivering the corporate goals and promoting sustainable transport.

Councillor Clifton, the Cabinet member responsible for Economic Growth and Inward Investment, reminded the Cabinet that the consultation on the for Central Milton Keynes Transport and Parking Strategy closed that day which would lead to the next version of the Local Transport Plan.

Councillor Marland (Leader of the Council) indicated that there was a launch meeting later that week of the Northamptonshire, Oxfordshire and Buckinghamshire Strategic Alliance which focussed on investment in sustainable transport and which Milton Keynes Council was looking to become a member.

C72

COUNCILLOR'S QUESTIONS

- (a) Question from Councillor Bramall to Councillor Long (Cabinet member for Health and Wellbeing)

Councillor Bramall, with reference to a review being undertaken by the Local Government Association, National Health Service East, and the Association of Directors of Adult Social Services with regard to the national plan for reducing in-patient beds and increasing community capacity for people with learning disabilities, asked what the plans were for the review and what work was being done on the review at the moment. Councillor Bramall also asked at what stage the discussions were with the Clinical Commissioning Group Milton Keynes Hospital and Central and North West London NHS Foundation Trust.

Councillor Long indicated that he would supply a written response on the progress of this.

In response to a supplementary question in respect of cementing the partnership with other local neighbouring local authorities, particularly as Milton Keynes was being clustered with Luton and Bedford which was a change to the current arrangements, Councillor Long indicated that he would include this in his written response

- (b) Question from Councillor Bald to Councillor O'Neill (Cabinet member for Housing and Regeneration)

In response to a question from Councillor Bald with regard to the scheduling of proposed decisions with reference to the crisis in homelessness and temporary accommodation, Councillor O'Neill listed the decisions that had been made recently, or were scheduled on the Forward Plan to be made, up to the end of the Council year.

C73

REFERRAL FROM COUNCIL 21 OCTOBER 2015 PETITION "MEMBERSHIP OF THE REGENERATION PLANNING GROUP" FROM RESIDENTS FROM BRADVILLE

The Cabinet considered the referral from the meeting of the Council on 21 October 2015 in respect of a petition received from residents of Bradville in respect of the membership of the Regeneration Planning Group, which was presented by Councillor Burke on behalf of Anna Seymour.

In response to the Petition, Councillor O'Neill (Cabinet member for Housing and Regeneration), confirmed that although the petition had asked that the Council removed the member for Bradville from the Regeneration Planning Group, there was no such group.

Councillor O'Neill clarified that RegenerationMK hosted a monthly Resident Communications Group to which all Parish/Town Councils and Residents Associations in the regeneration areas had been

asked to nominate one attendee. Councillor O'Neill listed the attendances to date and thanked the attendees for their valued, active and constructive input.

Councillor O'Neill also indicated that the membership of the Group would be reviewed in December 2015, and it was likely that at the at that time, nominations would be invited for a resident from North Bradville to join in 2016. Residents were encouraged to express their interest in responding, via their Town or Parish Council or Residents Association.

Councillor O'Neill also noted that currently the 'All Bradville Residents Association' (ABRA) did not constitutionally represent all the residents of North Bradville, therefore, if those residents who were not members of ABRA, wished to establish their own Residents Association separate from ABRA, the Community Partnership team would be happy to explain the process for this.

C74

REFERRAL FROM COUNCIL 21 OCTOBER 2015 PETITION TRAFFIC CALMING MEASURES IN GREEN PARK NEWPORT PAGNELL

The Cabinet considered the referral from the meeting of the Council on 21 October 2015 in respect of a petition received requesting Traffic Calming Measures in Green Park Newport Pagnell which was presented by Mrs Bonner.

Councillor Clifton (Cabinet member for Economic Growth and Inward Investment) indicated that Council's Road Safety Team frequently worked with Green Park School and its students, parents and carers to address the road safety concerns of the school. At these meetings, it had been agreed that an Advisory 20mph speed restriction would be implemented and monitored for compliance. Further measures would then be introduced as appropriate.

Councillor Clifton also acknowledged the concerns raised in the petition about crossing points to the east of the school at the redway and footway crossings and indicated that the Advisory 20mph speed limit would be extended shortly to include the Redway crossing point. Additionally, the Road Safety Team would investigate, before the end of the year, what measures could be implemented to enhance the two crossing points and any works resulting from the investigation would form part of the Safe Journeys To School programme 2016-17 subject to funding being available.

C75

REFERRAL FROM COUNCIL 21 OCTOBER 2015 PETITION "THE BUZSY

The Cabinet considered the referral from the meeting of the Council on 21 October 2015 in respect of a petition received from "The Buzsy" at 401 Eldergate, Central Milton Keynes.

Councillor Marland (Leader of the Council) indicated that the Buszy, was located at 401 Eldergate, which was now owned by the Milton Keynes Development Partnership (MKDP).

Councillor Marland explained that 401 Eldergate had been originally leased to Make a Difference (MaD), which was a community interest company, and a number of other companies, under a follow on lease arrangement from the Housing and Communities Agency (HCA). Under the lease from HCA, MaD were able to take income from a number of adjacent car park spaces. However, MKDP had now taken a decision as part of its strategic plan to regularise the arrangements in respect of their assets which included these lease and car park income arrangements. This had resulted in MaD losing the income it had received from the car park spaces.

Councillor Marland clarified that MaD and other organisations based at 401 Eldergate, had been asked if they needed support from the Council with their activities. However, any future provision out of 401 Eldergate was dependant on the partnership continuing between MKDP and its clients.

Councillor Marland also indicated that he had always made it clear that he believed there was a future for community use of some description at 401 Eldergate.

C76

REFERRAL FROM CHILDREN AND YOUNG PEOPLE COMMITTEE 21 JULY 2015

The Cabinet considered the referral from the Children and Young People Committee held on 21 July 2015, which had investigated practical measures to address the shortage of GP's, teachers, engineers and other skilled professions in Milton Keynes.

Councillor Crooks, Chair of the Children and Young People Committee introduced the referral and highlighted the issues that the Committee had considered.

Councillor Miles, the responsible Cabinet Member for Children and Lifelong Learning thanked the Committee for its work and indicated that many of the issues detailed by the Committee, such as a Skills Strategy, and Local Area Economic Assessment, were already being progressed by the Council. Councillor Miles also indicated that the Cabinet did not currently have the resources to deliver all of the issues that had been identified.

The Cabinet also heard from Councillor Long, the responsible Cabinet member for Health and Wellbeing and Councillor Marland, Leader of the Council, during consideration of the referral.

C77

REFERRAL FROM HEALTH AND ADULT SOCIAL CARE COMMITTEE 6 OCTOBER 2015

The Cabinet considered the referral from the Health and Adult Social Care Committee held on 6 October 2015.

Councillor Bramall, Chair of the Health and Adult Social Care Select Committee, introduced the referral and highlighted the issues that the Committee had considered with reference to the Learning Disabilities Services Review and care plans.

Councillor Long (Cabinet member for Health and Wellbeing), thanked the Committee for its comments and indicated that underpinning the Learning Disabilities Services review was the recognition of the principles of empowerment, independence, choice and engagement of the service users so they could define the services they used. Councillor Long also highlighted that some of the underspend on budgets reported later in the agenda were a result of savings in placement costs which was linked to direct payments which, in turn, assisted service users to choose the services they required.

Councillor Long also indicated that the use of care plans had been a requirement for some time and these had been extended by the Affordable Care Act (2014) to include carers.

The Cabinet also heard from Councillor Marland (Leader of the Council) during consideration of the referral, who reiterated that choice and independence for service users was essential in the redesign of services.

C78

REFERRAL FROM BUDGET SCRUTINY COMMITTEE – AUTUMN REPORT OCTOBER 2015

The Cabinet considered the referral from the Budget Scrutiny Committee in respect of its Autumn Report on pressures facing the Councils' Budget for 2016/17 and beyond.

Councillor Brackenbury, Chair of Budget Scrutiny Committee, introduced the report and thanked the members of the Committee and Cabinet members for their input to a series of challenge meetings held to inform the report, which Councillor Brackenbury hoped took a more strategic approach than in previous years.

Councillor Brackenbury summarised that Cabinet members had been asked to provide plans and strategies that showed how the budget pressures in their portfolios were being mitigated, such as the proposed Waste and Housing Strategies. It was also hoped that the early submission of the Budget Scrutiny Committee's Report would enable it to be considered when the draft Budget was being prepared and would allow the Cabinet to make a formal response which could be considered at the December meeting of the Budget Scrutiny Committee.

Councillor Middleton, the responsible Cabinet Member for Resources and Efficiency, thanked the Budget Scrutiny Committee for its improved methodology and rigour and also indicated that even if the Government funding reductions did not take place, some of the service areas would still be required to make savings in the coming years.

Councillor Middleton also indicated that he was drafting a written response to the report and this would be would be circulated in due course and would answer the points that had been raised. Councillor Middleton also informed the Cabinet that a report was also coming to Cabinet on 30 November on Home to School Transport.

Councillor Marland, leader of the Council also indicated that the Cabinet wished to protect the most vulnerable and disadvantaged residents when it recommended the budget to Council, but the financial restraints placed on the Council meant efficiencies would be required across the Council services to meet the savings target of £58m.

RESOLVED -

That the report and recommendations from the Budget Scrutiny Committee Autumn report be noted.

C79

A STRATEGIC REVIEW OF THE COMMUNITY ASSET TRANSFER (CAT) PROGRAMME AND WAY FORWARD FOR THE FUTURE

The Cabinet considered a strategic review of the Community Asset Transfer (CAT) programme.

It was noted that the purpose of the review was to bring together lessons, achievements and changes identified as a result of the operation of the programme and to consider as a result, any revised approach to be taken by the Cabinet to the CAT programme as it moved forward. It was reported that the Review also linked the CAT programme with other methods of managing and investing in facilities, and also the benefits to Parish Councils and Community Groups of transferring community assets.

It was also reported that as a result of the Review, the programme's eligibility criteria had been updated to include clear reasons why some assets were not currently under consideration for CAT.

Councillor E Gifford, the responsible Cabinet member for Community Services, highlighted that of the 50 assets that had been considered by the Programme, 17 had been transferred, 23 did not transfer and a further 10 were still in progress. Councillor Gifford also indicated that the aim of the review was to make more information available for those who were interested in considering taking over a community asset.

Councillor Marland, Leader of the Council indicated that the review complemented the work of the Community Services Review.

RESOLVED -

That the progress made to date and the Community Asset Transfer eligibility criteria be noted.

C80

ADOPTION OF DEVOLVED POWERS FROM THE DRIVER AND VEHICLE LICENSING AGENCY FOR REMOVAL OF UNTAXED ROAD VEHICLES

The Cabinet considered adopting Devolved Powers from the Driver and Vehicle Licensing Agency (DVLA) for the Removal of Untaxed Road Vehicles and operating the Untaxed Vehicle Scheme through a contractor in conjunction with the Abandoned Vehicles service.

It was reported that the Council currently reported untaxed vehicles to the DVLA, but, by adopting the DVLA powers, the Council would be able to remove untaxed vehicles from the public highway in order to improve highway and community safety. The principle of adopting this power had been agreed in the approved budget for the current financial year (Minute CL98 of 18 February 2015 refers).

Councillor Legg (Cabinet member for Public Realm) indicated that the adoption of the powers would allow abandoned vehicles to be removed more efficiently, as it was recognised that these were a target for anti-social behaviour and crime and a frequent cause of anxiety to residents.

Councillor Legg also clarified, in response to a question from Councillor Burke, that the Council had other powers to deal with untaxed vehicles parked off the highway.

RESOLVED -

1. That the Driver and Vehicle Licensing Agency devolved powers under the Vehicles & Excise Duty (Immobilisation, Removal and Disposal of Vehicles) regulations 1997, be adopted.
2. That the untaxed vehicle scheme be operated through a contractor in conjunction with the Abandoned Vehicles service.

C81

DRAFT STRATEGIC DEVELOPMENT OPTIONS CONSULTATION DOCUMENT

The Cabinet considered approving the draft Strategic Development Options Consultation Document for a for a 12 week period of public consultation and engagement.

It was reported that the consultation document included the outputs of 'Vision Workshops' held in Spring 2015 that identified a number of principles that could be used to develop a longer term Vision for the future of the Borough, and a series of four spatial development options for how longer term growth could be delivered. The feedback from the consultation on the Strategic Development Options would be used to inform the "Preferred Options" stage in the preparation of the new local plan for the borough, Plan:MK.

The Cabinet considered as an alternative option, whether instead of holding a consultation period, to use the vision and development

strategy approach in the Core Strategy which could be rolled forward over the next plan period. However, this approach would miss the opportunity to reconsider what was important for the future of the borough, and, would also risk the reputation of the Council, as it retracted on the agreed approach for Plan:MK.

Another alternative considered by the Cabinet, was to wait for the MK Futures 2050 project to be completed and be considered by the Council. However, this would cause an unacceptable and unnecessary delay to the Plan:MK process which, if not progressed as planned by 2017, carried a risk that the Government would intervene in the Council's plan-making process.

Councillor Legg (Cabinet member for Public Realm) indicated that this was the latest in a piece of work towards replacing the current Core Strategy; although this consultation was not a statutory stage in the plan-making process. It would help ensure the final plan was sound and robust and would meet the requirements of the regulations when it reached the Public Examination stage.

Councillor Legg also indicated that the Cabinet Advisory Group had considered the document in detail and its suggested revisions had been incorporated. Councillor Legg further indicated that the suggested options from the various workshops and discussions with neighbouring authorities and the South East Midlands Local Enterprise Partnership (SEMLEP) would be evaluated and worked although further discussions would be required. Councillor Legg also offered to meet with town and parish councils and partners, to discuss the suggested options further.

Councillor Marland, Leader of the Council, indicated that it was in the Council's interest to progress with Strategic Development Options Consultation and Plan:MK, because, as experience of other Local Authorities had shown if the Plan:MK was not approved at the Public Examination stage, then the future pace and size of developments within the borough would be dictated by Government and speculative development. Therefore, an evidence based process and delivery of Plan:MK would provide future planning protection to communities. Councillor Marland also recognised that all of the options had complications and benefits and that there were perceived conflicts with the Neighbourhood Planning process.

The Cabinet also heard from Councillors Bald, Bramall, P Geary, Hosking and 7 members of the public and heard a representation read out on behalf of Councillor McLean, during consideration of the item.

RESOLVED -

That the Draft Strategic Development Options Document be approved for a 12 week period of public consultation and engagement.

C82

HIGHWAYS ASSET MANAGEMENT POLICY

The Cabinet considered approving the Highways Asset Management Policy which would align the Council Plan and the Local Transport Plan to ensure the Council had a strategic approach to Asset Management across the borough. The Policy, if adopted, would evidence and support the focus on whole life costs for asset management and provided high level strategic links across the Council to other policies, and also fed into the future vision of Milton Keynes.

The Cabinet considered the alternative option of not approving the Policy but it was anticipated that would result in a significant funding loss because funding from the Government was based on having an Asset Management Policy that included a life cycle management approach and thus would impact the prioritisation of future works.

Councillor Legg (Cabinet member for Public Realm) indicated his support for the recommendation and added that it brought the Highway Asset Management Plan in to line with the other key Council documents such as the Council Plan and the Local Transport Plan.

RESOLVED -

That the Highways Asset Management Policy be approved.

C83

HIGHWAYS ASSET MANAGEMENT STRATEGY

The Cabinet considered approving the Highways Asset Management Strategy, which would govern the future Highways Asset Management delivery in Milton Keynes.

It was reported that the Strategy also took into account financial pressures and outlined how the available resources would be utilised/ prioritised in order to maximise the benefits and minimise whole life costs. It was considered that the Strategy offered a systematic and strategic approach that would enable decision making for service provision to achieve best value within the financial resources available. The Strategy also identified the best allocation of resources for the management, operation, preservation and enhancement of the highway infrastructure that met the current needs and future demands.

The Cabinet considered the alternative option of not approving the Highways Asset Management Strategy, but it was anticipated that would result in a significant funding loss because funding from the Government was based on having an Asset Management Strategy that included a life cycle management approach and would also impact the prioritisation of future works.

Councillor Legg (Cabinet member for Public Realm) indicated his support for the recommendation.

Councillor Marland (Leader of the Council) clarified that a policy was required to ensure the management of the highway assets were co-ordinated with the Council's other service provisions. The Strategy also explained how the Highways Asset Management Policy would be implemented.

RESOLVED -

That the Highways Asset Management Strategy be approved.

C84

A COMMERCIAL PROPOSAL FOR THE COUNCIL

The Cabinet considered a commercial proposal to undertake market testing to inform the procurement of a joint venture partner or partners in order that efficiencies could be generated in any Council service.

It was reported that a joint venture partner or partners could be offered the opportunity to work collaboratively with the Council to develop major investment schemes. It was anticipated that that this would maximise ongoing income or generate capital receipts. However, it was recognised that, the scope of the delegation to the partner or partners would need to be confirmed in the light of potential risks, or, the type of proposals that could emerge.

It was also reported that once market testing was completed, further approval would be required to commence the procurement process. In order to secure the best possible outcome from this market testing exercise and to facilitate the procurement of a joint venture partner(s), it was suggested that it would be prudent for the Council to secure additional capacity to support, inform and enhance the exercise.

Councillor Middleton, (Cabinet member for Resources and Commercialism) indicated that the recommendations supported the Cabinet's financial strategy which included three touchstone principles: 'Smarter, Sustainable, Different' and was another strand to delivering services 'differently' which would potentially deliver additional income which would offset the budget savings of £59m that were required over the next four years.

Councillor Middleton drew the Cabinet's attention to how the Commercialism Proposal worked, the income that could be collected and also quoted the examples of the Residual Waste Facility and Milton Keynes Service Partnership (MKSP). Councillor Middleton recognised that the Council had learnt lessons from previous commercial ventures and indicated that cross party working groups would be formed to progress the proposal.

Councillor Marland (Leader of the Council) indicated his support for the recommendations and also that the proposals would allow the Council to offer alternative, different and longer term delivery models whilst delivering efficiencies. Councillor Marland also recognised that cross party working was a key element to deliver the proposal.

The Cabinet also heard from Councillors Long and Bald during consideration of the item and the Council's Head of Resources who clarified the details of the proposal.

RESOLVED -

1. That market testing to inform the development of a commercial offer to the market be carried out.
2. That the procurement of additional advice and capacity designed to support, inform and enhance the market testing exercise, including the detailed timetable, be agreed.
3. That a cross party working group be established to consider the proposals.

C85

LOCAL WELFARE PROVISION FROM 2016

The Cabinet considered adopting Local Welfare Provision (LWP) to provide a critical safety net fund for residents who found themselves in crisis.

It was reported that further to Minute C109 of the Cabinet's meeting held on 8 December 2014, when the Cabinet considered continuing the Local Welfare Provision scheme, an element of the funding had been transferred to local authorities to create Local Welfare Provision schemes which were aimed at the needs of the most vulnerable in their communities. A budget of £0.25m for the payments under the scheme had been agreed. The monies previously unspent allowed the provision to be continued for a further year.

The Cabinet considered an alternative option for ceasing to fund the scheme and close down the LWP scheme. However, it was anticipated that the provision and administration of other discretionary payments would continue as the Government sought to reduce the welfare bill by £12billion over the coming five years, and the provision of Discretionary Housing Payments increased. There were not likely to be any additional savings.

Another alternative considered was to continue funding the scheme at a reduced level, i.e. £0.15m. However it was acknowledged that associated administration costs which were contained within the Revenues and Benefits budgets, were subject to 'cross service staffing cuts' due to wider budget pressures.

Councillor Middleton, the Cabinet member for Resources and Commercialism, supported the recommended option to continue with a scheme funded to the current level of £0.25m, whilst acknowledging the associated administration costs. Councillor Middleton also drew the Cabinet's attention to the fact that the scheme was aimed at supporting vulnerable residents.

Councillor Middleton gave examples of those who had benefited from LWP and also indicated that the positive impact of LWP

payments on other service areas would be monitored in terms of their potential to reduce demand, along with the associated budget for both LWP payments and the cost of administration of such and the types of customer which benefited from the Local Welfare Provision awards. Councillor Middleton also indicated that he recognised the impacts on LWP of the proposals for Universal Credit.

The Cabinet heard from other Cabinet members and Councillor Bald who indicated their support for continuing the scheme.

RESOLVED -

1. That the types of customer which benefit from awards made under the LWP scheme be noted.
2. That the positive impact of LWP payments on other service areas be noted, in terms of their potential to reduce demand and /or avoid a current or future cost.
3. That the continuation of the provision of a Local Welfare Provision Scheme be approved, along with the associated budget for both LWP payments and the cost of administration of such.

C86

COUNCIL TAX BASE AND BUSINESS RATE BASELINE 2016/17

The Cabinet considered the Council Tax Base and Business Rate Baseline 2016/17.

It was reported that from April 2013, the change from Council Tax Benefit to Local Council Tax Reduction meant that, rather than receiving a benefit to offset the cost of Council Tax, eligible residents received a discount, thus reducing the Tax Base for all precepting authorities. Part of the potential loss created by this tax base reduction was offset to an extent by Government funding, which formed part of the Council's Revenue Support Grant. The Council also received some funding to partially compensate for the reduction in town and parish council's Tax Base.

It was further reported that the Local Government Finance Act 2012 required authorities to make calculations and supply information on their anticipated collectable business rate income for the following year therefore the Corporate Director of Resources would be delegated the authority to make technical legislative changes.

Councillor Middleton, the responsible Cabinet member for Resources and Commercialism, in supporting the recommendations, summarised the issues highlighted in the report and indicated that in accordance with the Local Government Finance Act 2012 and related Statutory Instruments; the Council was obliged to set its Council Tax Base for the forthcoming financial year by 31 January.

Councillor Middleton also indicated that the Cabinet had worked with Town and Parish Councils to mitigate the financial impact of the

Local Council Tax Reduction Scheme on them. Councillor Middleton reported that following a consultation of the available options, the majority of Town and Parish Councils had supported the retention of the current distribution method which meant that grants needed to be recalculated every year, once an estimate of the Tax Base had been completed in late October. Councillor Middleton also highlighted the intention that collection rates of Council Tax should be set at 1.63% to produce an expected collection rate of 98.37%.

Councillor Middleton also highlighted that, with reference to the Business Rate Baseline estimate for 2016/17, currently only a third of the amount collected was retained by the Council with the balance being returned to Government.

The Cabinet also heard from Councillor Marland, the Leader of the Council, who indicated his support for the recommendations during consideration of the item.

RESOLVED -

1. That the 2016/17 Tax Base be set at 80,360.69 Band D equivalent properties.
2. That the provision for uncollectable amounts of Council Tax for 2016/17 be set at 1.63% producing an expected collection rate of 98.37%.
3. That the proposed 2016/17 funding contribution to parish and town councils of £512,000, as set out in section 5 of this report be noted and recommends to Council for approval as part of the final Budget.
4. That the distribution methodology to be used to allocate funding from Milton Keynes Council to parish and town councils as set out in Annex E be approved.
5. That the Cabinet recommends to Council that the Local Council Tax Reduction Scheme, as adopted by the Council on 14 January 2015, be continued for 2016/17, retaining the delegation to the Corporate Director of Resources to make technical legislative changes.
6. That the Council's current estimate of the 2016/17 Business Rates Baseline be noted, retaining the delegation to the Corporate Director Resources to finalise this Baseline, based on the latest data for submission to Department for Communities and Local Government in January.

C87

REVENUE AND CAPITAL BUDGET MONITORING REPORT - TO END OF OCTOBER 2015

The Cabinet considered the Revenue and Capital Budget Monitoring Report to the end of October 2015 (Period 7).

It was reported that the forecast outturn position was an estimated overspend of £1.577m, after use of £3.672m of one off resources

which was a decrease in the overspend of £0.030m since Period 6. The Dedicated Schools Grant was reporting a forecast underspend of (£0.248m) against budget, which was an increase in the underspend of £0.115m since period 6, and the Housing Revenue Account was reporting a £nil forecast position.

The Cabinet noted that there were spend approvals of £131.827m on the Capital Programme which was forecasting an outturn of £132.265m, an overall variation of £0.438m against the latest spend approval. The figure included forecast re-phasing of £0.144m worth of schemes bringing the position to a net overspend of £0.

It was also reported that management actions continued to be implemented to minimise the overspend in the current year and reduce the impact on the 2016/17 Budget. However the increasing demands for children's social care placements and temporary accommodation as a result of homelessness were creating substantial challenges for the Council.

Councillor Middleton, the responsible Cabinet member for Resources and Commercialism, summarised the overspends in Children and Young People's Services and in Housing and Community. Councillor Middleton indicated that reports were scheduled to be considered by future Cabinet meetings about Home to School Transport and the crisis in homelessness and temporary accommodation.

The Cabinet also heard from Councillor Bald and from Councillor Long who highlighted the management actions being taken by Adult Social Care and the strategic actions to manage resources, during consideration of the recommendations.

RESOLVED -

1. That the forecast outturn position of £1.577m and the management actions currently underway to mitigate this position be noted.
2. That the forecast outturn for the 2015/16 Capital Programme, and the management actions underway to address the overspend on the A421 scheme be noted.

C88

REVISIONS TO CAPITAL PROGRAMME AND SPEND APPROVALS REPORT

The Cabinet considered the revisions to the Capital Programme and Spend Approvals which requested spend approval for schemes in the 2015/16 Capital Programme and made amendments to existing schemes within the Programme.

It was reported that changes outlined resulted in a revised Capital Programme for 2015/16 of £144.74m. Against this programme, £131.83m of spend approval has been given to enable individual projects to commence or continue.

It was also reported that the Council was responsible for the management of the Milton Keynes Tariff, which was a forward funding mechanism to deliver infrastructure in the expansion areas. Tariff Programme for 2015/16 was £40.18m with the total spend approval against these contributions at £25.2m.

Councillor Middleton indicated that the programme of the various schemes in the Capital Programme had been scrutinised closely with senior officer colleagues.

Councillor Middleton also indicated his support for the recommendations and summarised the new schemes in the programme which included the procurement of Solar Photovoltaic Panels which related to the Commercialism programme, additional resources for school expansions and the re-phasing of projects that included the CMK Sports facility and the Housing and Revenue Account (HRA) Bathroom programme

The Cabinet also heard from a member of the public during consideration of this item.

RESOLVED -

1. That the additions to resource allocation and spend approvals for the 2015/16 Capital Programme be approved.
2. That the amended resource allocation and spend approvals for the 2015/16 Capital Programme be approved.
3. That the funding position for the 2015/16 Capital Programme be noted.
4. That the amended resource allocation and spend approvals for 2015/16 Tariff Programme be approved.
5. That the current position of the 2015/16 Tariff Programme be noted.

C89

PROCUREMENT AND COMMISSIONING

RESOLVED -

That the Minutes of the meetings of Procurement and Commissioning held on held on 1 September 2015 be received.

THE CHAIR CLOSED THE MEETING AT 9.32 PM

Minutes of the meeting of the CABINET held on MONDAY 30 NOVEMBER 2015 at 6.30 pm

Present: Councillor Marland (Chair)
Councillors Clifton, E Gifford, Legg, Long, Middleton, Miles and O'Neill.

Officers: C Mills (Chief Executive), T Hannam (Corporate Director Resources), M Bracey (Corporate Director People), S Gerrard (Interim Service Director [Legal and Democratic Services]), M Hancock (Assistant Director Joint Commissioning), L Ellen (Head of Housing), J Entwistle (Head of Spatial Planning and Implementation), J Nokes (Housing Options Manager), I Gohill (Senior Transport Planner (Policy and Programme), A Ward (Senior Practitioner [Regulatory Unit]) and S Muir (Committee Manager)

Also Present: Councillors Bald, Bint, Bramall, D Hopkins, V Hopkins, McDonald, Morris and Walker and 12 Members of the Public

C90 CABINET ANNOUNCEMENTS

None.

C91 DISCLOSURES OF INTEREST

None.

C92 QUESTIONS FROM MEMBERS OF THE PUBLIC

None were asked.

C93 COUNCILLOR'S QUESTIONS

Question from Councillor McDonald to (Cabinet member for Resources and Commercialism)

Councillor McDonald (Chair of the Audit Committee) noting that the Cabinet was due to consider Shared Services at its meeting on 11 January 2016, which was before the next Audit Committee meeting of 26 January 2016, asked Councillor Middleton when would the Audit Committee be given the opportunity to consider the item prior to the Cabinet meeting.

Councillor Middleton indicated that he would be happy to meet with Councillor McDonald prior to the meeting of the Cabinet on 11 January 2016, to discuss the Local Government Shared Service item.

C94 REFERRAL FROM YOUTH CABINET

The Cabinet considered the referral from the Youth Cabinet with reference to Votes for Young People.

Mahe Joshi representing the Milton Keynes Youth Cabinet presented the referral which asked how the Council would engage with students to encourage them to register to vote, and inform and

educate them about the voting process and opportunities to take part in elections.

Councillor Marland indicated that a written response would be sent to the Youth Cabinet and also be included in the Councillors Weekly News.

C95 ADOPTION OF HACKNEY CARRIAGE AND PRIVATE HIRE LICENSING POLICY

Further to the minute RC27 of the Regulatory Committee held on 23 September 2015 the Cabinet considered adopting a Hackney Carriage and Private Hire Licensing Policy to take effect from 1 January 2016.

It was reported that the Council had originally adopted the Hackney Carriage and Private Hire (Taxi) Licensing Policy in September 2014 (Minute C46 refers). The Policy had been further consulted on since then, resulting in further revisions being adopted by the Cabinet at its meetings in December 2014 (Minute C111 refers) and September 2015, (Minute C39 refers). The Policy had now undergone a further public consultation.

Councillors Morris, Chair of the Regulatory Committee indicated that the Licencing and Regulatory Committee had considered the Policy at its meeting in September and the Committee supported the amendments.

Councillor Legg, the responsible Cabinet member for Public Realm indicated his support of the revised Policy that now included further procedures to strengthen the process of licensing taxi drivers, such as a requirement that all new drivers had to evidence that they had passed the Driver and Vehicle Standards Agency (DVSA) test.

RESOLVED -

That the revised Hackney Carriage and Private Hire Licensing Policy be adopted to take effect from 1 January 2016.

C96 HOME TO SCHOOL TRAVEL

The Cabinet considered, in the context of the current review of Passenger Transport, extending the review to include Home to School Travel.

It was reported that it was anticipated that the review would ensure that the service was as efficient and effective as possible, minimising expenditure and keeping it within budget, whilst at the same time ensuring that the quality of the service delivered was improved for eligible children.

It was also reported that it was intended that the review, would include a six week consultation of the potential removal of five discretionary services currently provided by the Council. The findings of the review along with the outcomes from the consultation

would be reported to the Cabinet at a later date, and include h recommended next steps.

Councillor Miles, the responsible Cabinet member for Children and School Improvement, indicated that the review was a response to the overspend in the Home to School Transport budget that had been reported to the Cabinet by the Budget Scrutiny Committee at the Cabinet's meeting on 9 November 2015 (Minute C78 refers).

Councillor Miles acknowledged that free transport was currently being provided from two schools in the rural south of the borough to schools outside the borough in Aylesbury Vale and Central Bedfordshire, whilst the pupils were in the catchment area for schools in Milton Keynes. This was an inconsistency that had been in place for many years as support with Home to School transport was not provided to pupils in other parts of the borough to schools outside the borough.

Councillor Miles also indicated that he would be happy to meet separately with Woburn Sands Town Council and Little Brickhill Parish Council and residents thereof as part of the consultation process.

Councillor Marland (Leader of the Council) indicated that the Government had recently reported, as part of the Autumn Budget statement, that changes to the responsibility for the future provision of statutory functions by local authorities for education would be consulted on in due course and this might have an impact on where the future responsibility for Home to School Transport lay.

The Cabinet also heard from Councillor D Hopkins and one member of the public during consideration of the item.

RESOLVED -

1. That a consultation be carried out on the removal of the remaining non-statutory services offered in home to school travel for a period of six weeks in December 2015 and January 2016 for possible implementation in September 2016.
2. That the work on the future of a cross Council Transport Strategy be continued.

C97

CENTRAL MILTON KEYNES TRANSPORT AND PARKING STRATEGY

The Cabinet considered the draft Central Milton Keynes Transport and Parking Strategy which, once approved by the Council, would then be included as a policy document under the Local Transport Plan (LTP3) as one of a number of sub-strategies.

It was reported that following extensive, informal consultation from December 2014 to July 2015 with key stakeholders and local organisations, a further 8 week public consultation had been

undertaken that had resulted in further significant responses from parish and town councils, businesses, stakeholders and members of the public, that had informed the revised Strategy.

It was also reported that the Strategy had been considered by the Milton Keynes Transport Partnership and the Strategic Transport and Road Safety Group. Also, drop-in sessions both for Councillors and the public had been held.

Councillor Clifton, the responsible Cabinet member for Economic Growth and Inward Investment, thanked all those who had submitted consultation responses and, whilst indicating his support for the Strategy, clarified that its purpose was to provide a coherent transport and parking strategy for Central Milton Keynes that supported the aspirations for planned growth to 2026.

Councillor Clifton also indicated that Scrutiny Management Committee would be asked to consider this in advance of the Council meeting on 13 January 2015, which would give the opportunity for a further revision of the Strategy, if required

Councillor Marland, Leader of the Council, indicated that that Central Milton Keynes Transport and Parking issues had been at the top of the Council's agenda for a long time and it was important that they were settled to inform the future economic development and employment opportunities in Central Milton Keynes.

The Cabinet also heard from Councillor Walker and 3 members of the public during consideration of the item.

RESOLVED -

1. That the Central Milton Keynes Transport and Parking Strategy be noted.
2. That the Central Milton Keynes Transport and Parking Strategy be referred to Scrutiny Management Committee for consideration in advance of the Council meeting on 13 January 2015.
3. That the Central Milton Keynes Transport and Parking Strategy be referred to Council on 13 January 2016 for adoption.

C98 COMMUNITY AND CULTURAL SERVICES REVIEW - PROGRESS UPDATE

The Cabinet considered the second Community and Cultural Services Review, Progress Update.

It was reported that the Review was initiated as a response to 2015/16 budget proposals and the commitment by the Cabinet to find more creative and sustainable models for the delivery of libraries, children's centres and youth services by exploring new ways of working and promoting greater levels of engagement with the Council's partners and the community, rather than to close them.

Councillor Gifford (Cabinet member for Community Services) whilst indicating her support for the Review, summarised the potential impacts on various areas such as volunteers and libraries, and the progress to date. Councillor E Gifford's also reported that the review had been considered by the Cabinet Advisory group in October 2015 and the Scrutiny Management Committee would be asked to consider the outcomes of the Review by the Spring 2016.

Councillor Gifford clarified that the funding for Community Action:MK was for a one off, six month pilot to support increasing the number of volunteers in libraries, children's centres and youth services. This had been funded from the Community and Cultural Services Review transition funding. Any future funding for this was dependant on the availability of funding in the next financial year and the outcome of a review of the pilot.

Councillor Gifford also indicated that the review would be closed down at the end of the financial year, but that the principles of meaningful engagement, creative but careful redesign work and the importance of funded transition arrangements that underpinned it would be captured and applied as appropriate, to other service change programmes across the Council.

The Cabinet also heard from Councillor Marland in support of the recommendations and from Councillor Bald during consideration of the item.

RESOLVED -

1. That progress made to date be noted.
2. That the Community and Cultural Services Review be referred to Scrutiny Management Committee for consideration.
3. That the Community and Cultural Services Review project be closed down at the end of the financial year, with the underpinning principles of meaningful engagement, creative but careful redesign work and the importance of funded transition arrangements applied, as appropriate, to other service change programmes across the Council.

C99

DOMICILIARY CARE - OPTIONS FOR EXTERNALLY COMMISSIONED SERVICES

The Cabinet considered the options for providing externally commissioned Domiciliary Care services.

It was also reported that Domiciliary Care services were delivered to vulnerable people in Milton Keynes either by the Council's Home Care Service or by independent sector agencies commissioned by the Council. In 2014/15 provision of these services accounted for approximately £9.5m of Council expenditure in total.

It was reported that the Council was committed to maximising choice for service users with Personal Budgets and Self Funders. It was therefore suggested that the services should be tendered. It was also intended that the contracts, when awarded, would be incorporate the UNISON Ethical Care Charter.

It was suggested that to secure the service model and appropriate procurement strategy for the external domiciliary care services the decision making process be delegated to the Cabinet member for Health and Wellbeing.

Councillor Long (Cabinet member for Health and Wellbeing) in supporting the recommendations, highlighted that a remodelling of the delivery of home-care services would also provide choice through direct payments to the service users, which would enable them to have control of their care packages and to continue to live independently.

Councillor Long also indicated that by including the Ethical Care Charter in the Council's care contracts, it was anticipated that there would be improved staff terms and conditions of employment, staff retention, recruitment, training and capacity, therefore improving the standards of care to service users.

The Cabinet also heard from Councillor Bald and one member of the public during consideration of the item.

RESOLVED -

1. The commencement of a tender process for the provision of external domiciliary care services be agreed.
2. That the decision in respect of the service model and appropriate procurement strategy for the external domiciliary care services be delegated to the Cabinet member for Health and Wellbeing.
3. That the UNISON Ethical Care Charter be welcomed and endorsed.
4. That the UNISON Ethical Care Charter be incorporated into the contract for externally commissioned Domiciliary Care.

C100

DOMICILIARY CARE SERVICES - PROPOSAL FOR MILTON KEYNES COUNCIL DIRECTLY PROVIDED SERVICES

The Cabinet considered proposals to provide Milton Keynes Councils Domiciliary care services delivered to individuals at home.

It was reported that the Council was committed to maximising choice for service users with Personal Budgets and self-funders. It was therefore suggested that a tendering approach for internal domiciliary care services should be adopted through a Local Authority Trading Company model. It was also intended to incorporate the UNISON Ethical Care Charter.

Councillor Long (Cabinet member for Health and Wellbeing) in supporting the recommendations indicated that this was very similar to the decision to the previous item that had considered the options for providing externally commissioned Domiciliary Care services. In this case, should the recommendations be approved, it would be the Council's internal domiciliary care services that would benefit.

Councillor Long also indicated that the terms and conditions of the Trading Company contract would be based on an evaluation of the best form of Local Authority Trading Company model.

Councillor Long also indicated that as the proposals offered a different method of delivering services, they would be considered by the Scrutiny Management Committee along with examples of other successful models.

Councillor Marland (Leader of the Council) indicated that the proposals linked to the Administration's commitment to be a Co-operative Council and provided individual choice to service users.

The Cabinet also heard from Councillor Bald during consideration of the item.

RESOLVED -

1. That the Joint Commissioning Team, working with Milton Keynes Council Home Care Service and Legal Services, establish a Local Authority Trading Company model, following an evaluation of the best form of Local Authority Trading Company model.
2. That the model of Local Authority Trading Company be based on a user led co-operative or other appropriate model.
3. That the Scrutiny Management Committee be requested to consider the proposals for Directly Provided Domiciliary Care Services.

C101 PROCUREMENT AND COMMISSIONING

The Minutes of the meetings of Procurement and Commissioning meetings held on 15 September 2015 and 6 October 2015 were received.

C102 EXCLUSION OF PUBLIC AND PRESS

That the public and press be excluded from the meeting by virtue of Paragraph 3 (Information relating to the Financial or Business Affairs of the Authority) of Part I of Schedule 12A of the Local Government Act 1972, in order that the meeting may consider the Annex to Temporary Accommodation - Working with the Private Sector.

C103 TEMPORARY ACCOMMODATION - WORKING WITH THE PRIVATE SECTOR

The Cabinet considered the introduction of an enhanced Private Sector Leasing scheme.

It was reported that Council had a statutory duty to provide accommodation for homeless persons. Homelessness was growing both nationally and in Milton Keynes. Key factors influencing the growth were rising house prices, rising private sector rents and a lack of supply in meeting the needs of a fast-growing population. The proposals considered a potential approach to alleviate the shortage in supply of temporary accommodation by way of an enhanced Private Sector Leasing Scheme.

Councillor O'Neill, the Cabinet member for Housing and Regeneration, highlighted the different types of temporary accommodation that had already been investigated and added to the Council's portfolio. Other types of commercial and retail property already owned by the Council which could be used for temporary accommodation were also being explored and she gave examples of these.

Councillor O'Neill also indicated that another source of potential supply was the private rental sector. Consultation with landlords had confirmed that landlords with a small portfolio of properties valued the reassurance of Homes in Partnership) or Private Sector Lease scheme with the Council.

Councillor O'Neill also confirmed that plans for the implementation of this scheme in Milton Keynes would be discussed with a cross party working group at the earliest opportunity and prior to introduction of the scheme.

Councillor O'Neil further indicated that when future reports came forward for consideration, they would include details of all progress to date and decisions that had been taken with reference to temporary accommodation.

The Cabinet also heard from Councillor Morris during consideration of the item.

RESOLVED -

1. That the introduction of an enhanced Private Sector Leasing Scheme be approved.
2. That plans for the implementation of this scheme in Milton Keynes be discussed with by the cross party working group at the earliest opportunity and prior to introduction.

THE CHAIR CLOSED THE MEETING AT 8.08 PM

Wards Affected:*All Wards***ITEM 10****CABINET****11 JANUARY 2016****LEARNING DISABILITY SERVICES – PLANNING AHEAD**

Responsible Cabinet Member: Councillor Long (Cabinet Member for Health and Wellbeing)

Report Sponsor: Michael Bracey (Corporate Director –People)

Author and contact: Mick Hancock (Assistant Director [Joint Commissioning]) - Tel: 01908 257967

Executive Summary:

Milton Keynes Council seeks to empower Learning Disability service users. It seeks to maximise choice for people whilst ensuring that individuals with Profound and Multiple Learning Disabilities (PMLD) are supported through the continuation of access to day care services.

Milton Keynes Council aims to promote choice by establishing a list of providers who meet a required quality and price threshold and comply with the Ethical Care Charter adopted by Cabinet. Service users will be able to choose from this list which provider to use. They will be able to use their Direct Payment to fund their choice.

Milton Keynes Council also proposes to retain direct provision of day services for those with PMLD needs.

Milton Keynes Council will decommission the Community Support Team but commission external providers utilising the Preferred Provider List it established recently.

Cllr Nigel Long

Cabinet Member for Health and Wellbeing

1. Recommendations

1.1 That approval be given to the Joint Commissioning Team and the Learning Disability Service, in consultation with the Cabinet member for Health and Wellbeing, to implement the following service developments:

- (a) Work to ensure that all service users have Direct Payments available through their personal budgets.
- (b) Establish a Shared Lives service in Milton Keynes as an alternative to Short Breaks and/or Residential care provision.
- (c) Decommission the Community Support Team and commission external supported living providers to deliver the required support hours.

- (d) To close two day centres at Beanhill and Surrey Road and provide Council run services at Tower Drive and Whaddon Way for service users with Profound and Multiple Learning Disability needs.
- (e) Fully review the Short Breaks service, with a view to providing a range of Family and community based services to meet the needs of people who require a short break.

2. **Issues**

- 2.1 A strategic review of Learning Disability services took place in 2012. The conclusion from this review was that services in Milton Keynes operated on a traditional service model, with limited service choices for clients and their families. The recommendations from this review were not taken forward at the time.
- 2.2 The Care Act 2014 strengthens the duties of local authorities to promote health and wellbeing, and to act to prevent or delay the onset of the need for support. People requiring support must be able to access a range of information and advice to enable them to remain independent and members of their local communities wherever possible.
- 2.3 The provisions in this paper outline the services that the Council will provide to support people with learning disabilities, and how the Council will work in partnership with other agencies as required to offer more choice and control in the type of service available.
- 2.4 The Care Act 2014 places duties on local authorities to assess people's needs for social care support, and if they are eligible, to develop a support plan with individuals that promotes the use of personal budgets, direct payments and maintaining options and choices for individuals through effective commissioning and the provision of information and advice on possible services.
- 2.5 Milton Keynes Council wishes to empower people with learning disabilities and their families to make effective choices and to be in control of their lives and their future through the provision of support planning, brokerage and direct payments to ensure that choice is available in service provision. Not all this provision will be provided by the Council.
- 2.6 In the light of the Care Act 2014 and the earlier review, in July 2015, Cabinet accepted the recommendation that Learning Disability services should be further reviewed to determine the appropriateness of both the service model in operation and the cost of this provision. Support was provided by the Institute of Public Care, and permission was given for the Joint Commissioning Team to carry out a formal consultation on the case for change and the identification of possible service models.
- 2.7 The initial focus for the review was on the provision of short breaks services; day services and supported living services. A formal period of consultation on these services began in July and closed on the 25 October 2015.

Consultation

2.8 The consultation was held through a series of public meetings and workshops. Talkback, a local advocacy group specialising in working with people with a learning disability, were commissioned to facilitate the process and document themes from the meetings. The consultation took place over:

- Four Public meetings held across Milton Keynes. A presentation was delivered at each event with a question and answer session.
- A presentation to the Health and Social care Select Committee on 6th October 2015
- A presentation was delivered and question and answer session held at two Learning Disability Partnership Board meetings.
- Talkback facilitated five additional supported sessions in day centres at Tower Drive, Surrey Road and Whaddon Way to discuss the issues in the consultation.
- The consultation was also hosted on the Council's website and people were encouraged to contact the council via email or letter.
- Informal coffee mornings
- Staff consultation sessions on the proposals for service change and development.

2.9 An analysis of the consultation responses is attached at the Annex to this report. In summary 294 people attended consultation meetings, of which 100 were people with a learning disability and 194 were parents, carers or staff. Additionally 12 written responses were received.

Governing principles

2.10 A set of principles to govern the provision of Learning Disability services was presented during the consultation process, and subject to Cabinet approval of the proposals in this paper, these will influence how the services will develop over the next 2 years. These are:

- The focus will be on helping to support clients to become as independent as possible, and the use of Direct Payments will be promoted.
- People with learning disabilities and their families will have true choice and control over their lives, including how they spend their time, where they live and with whom, and how they can be supported to work.
- Carers are recognised and valued as fundamental to the maintenance of strong families and stable communities and they require support to enable them to maintain their caring role.
- Clients with profound and multiple learning disabilities (PMLD) will continue to receive a direct service from Milton Keynes Council
- Clients with behaviour that challenges may continue to receive a direct service from Milton Keynes Council

- It is likely that these services will be delivered from a building based setting. This is not to say that people with PMLD cannot participate in community based services, but they will need a base in order to enable their physical health needs to be met.
- All clients currently receiving services will have a re-assessment to determine their current needs. This is already being progressed.

3. Options

Day Services

3.1 Day Services at Tower Drive and Whaddon Way will continue to be provided by Milton Keynes Council.

3.2 Table 1 below shows the current number of users and relative cost of providing services at each day centre:

Table 1

Day Centre	No of Service Users by Need						Annual Cost £000	No of Staff
	Low	Medium	High	1-to-1	PMLD	Total		
Beanhill	10	6	2	0	0	18	199	6
Whaddon Way	0	0	7	0	13	20	763	22
Tower Drive	23	10	8	6	13	60	1,236	38
Surrey Road	22	14	11	2	0	49	577	14
	55	30	28	8	26	147	2,774	80

3.3 Action required:

- A review of all service users currently receiving a day service/day opportunity to be carried out to ascertain which type of day service would best meet their needs.
- The external provider market for day opportunities is developed to offer a range of innovative and responsive day services for those clients who wish to choose these options.
- MKC buildings based service is developed for people with PMLD and complex behavioural needs and that Milton Keynes Council carries on providing this service.
- Embed person centred approach throughout day services
- Increase the use of direct payments, and opportunities to source, recruit and share Personal Assistants.

3.4 The implications for current services of these proposals are likely to be:

- Less reliance on building based services provided by Milton Keynes Council, potentially resulting in the closure of 2 day centre premises. The closure Surrey Road and Beanhill centres is likely to result in an estimated saving of £580k. However, this will be offset by the cost of different provision for these clients, including further use of direct payments.

- MKC provided services will continue for people with Profound and Multiple Learning Disabilities
- That a list of external providers will be offered alongside an in-house offer for service users to choose from.
- Moving day services/opportunities away from buildings based services and towards community based opportunities.
- The job roles of staff currently working in MKC day services will change as a result of developing a more diverse service model for day opportunities. The number of MKC staff working in day services will reduce which will incur some redundancy costs for staff working in day services.

Supported Living

- 3.5 Milton Keynes Council provides a Community Support Team, who offer support to people in their own homes to assist them to maintain their independence. The total annual budget for the CST is £1,015,032. Currently, 36,361 support hours per year are delivered by 33.39 FTE staff.
- 3.6 In addition, MKC has recently commissioned a Preferred Provider List for Supported Living services from the external market, and there are currently 13 organisations offering support to people to help them remain independent. The hourly cost of this provision is £15.25 per hour, almost half the unit cost of internally provided service which is £31.12 per hour.
- 3.7 It is recommended that:
- A review of service users is undertaken to understand the level of support required for each individual
 - The support hours currently provided internally are transferred to externally commissioned services. This will result in the Community Support Team being decommissioned delivering an estimated annual saving of £300,000 to Milton Keynes Council.
 - Explore the use of assistive technology and IT to help support people at home where it is appropriate to do so.
- 3.8 The implications of these proposals on the current services are:
- There will be redundancy and pension strain costs for staff working in the Community Support Team, which will be met from a corporate budget. Work is underway to determine these costs.
 - More usage of external support services delivered by independent sector organisations.
 - Expansion of assistive technology and IT solutions for some people who would benefit from less intensive support.

Short Breaks

- 3.9 Short breaks can support individuals and families by providing opportunities for people to try new things and gain new skills to help support independent living. The average cost per night is £263 per person. Carers also benefit as the short breaks provide respite from the caring role for a short period. Most short breaks are provided by MKC at Polmartin Court and 4-6 Mathieson Road. Direct Payments are also provided for people to arrange their own short break, although this is currently a less attractive option.

Table 2 below shows the cost of providing services at the 2 centres:

Table 2:

Short Breaks (based on 2014/15 full year)			
	No of Service Users	Annual Unit cost per service user £	Annual cost of service £
Mathieson Road	62	21,935	1,359,960
Polmartin Court	3	38,435	115,305
Total	65	60,370	1,475,265

- 3.10 It is recommended that:

- There is a review of service user's needs to ensure that we have a full understanding of the required level of support.
- Increase the use of direct payments for short breaks and develop the market to ensure a full range of options are available for people
- Maintain some in-house short break provision for people with complex needs and PMLD.
- Develop a Shared Lives scheme – begin planning as soon as the proposals in this paper have been agreed by Cabinet. Shared Lives can be used as a short break option and also as an alternative to residential care. Shared Lives is a form of support and accommodation for adults, where approved individuals or families open their homes to provide support to older or disabled persons. Shared Lives has previously been known as the Adult Placement Scheme.

- 3.11 The implications of these proposals on the current services are:

- Less reliance on Polmartin, resulting in closure of this building.
- More usage of short break services delivered by external agencies.
- Increased direct payments to enable people to access community based services for their short break
- New Service provision – Shared Lives

4. Implications

4.1 Policy

The provisions in this paper will progress the following outcomes and priorities within the Corporate Plan 2012/16:

(a) Outcomes

Everyone in Milton Keynes will:

- Enjoy happy and fulfilled lives within their local communities
- Be safe from harm and neglect
- Stay independent for as long as possible
- Achieve their full potential
- Empower people through choice and control
- Enjoy personal dignity and respect

(b) Priorities:

Develop cost effective models of support and care for vulnerable people that:

- ensure they regain and maintain independence
- Deliver choice and control for individuals requiring support by providing preventative, community based approaches and outcome focused personalised care and support

It will also deliver the notions of Living Well and Ageing Well under the Joint Health and Wellbeing Strategy 2015-18.

Milton Keynes Council is committed to empowering people through extending choice and by facilitating the use of direct payments.

Milton Keynes Council has a clear intention to continue to support people with PMLD, including in its day care service and short breaks service.

4.2 Resources and Risk

The service developments proposed will be carried out within existing budget but is expected to deliver savings. The budget for 2016-17 has estimated savings of £834k from the review of services. Savings are expected to be achieved through:

- the externalisation of support hours for supported living clients
- review and re-negotiation of care packages for continuing healthcare funding has already achieved ongoing savings of £265k
- non-placement costs related to supported living due to a reduction in the number of void weeks.

A Shared Lives service may deliver further savings in future years once the service has been developed. This will be offset by some initial set up and ongoing running costs but further work is required to quantify this.

It is expected that there will be redundancy and pension strain costs which will be met from a corporate budget. Work is underway to determine these costs. Most of the services included in this review are part of a pooled budget and S75 agreement with the Clinical Commissioning Group (CCG). Changes to Pooled contributions will need to be agreed with the CCG, which currently contributes £1.4m of the total Learning Disability budget. Any savings made as a result of the proposals in this paper will not be shared.

	Capital	Y	Revenue	Y	Accommodation
	IT	Y	Medium Term Plan		Asset Management

4.3 Carbon and Energy Management

The proposals on Day Services, Supported Living and Short Breaks provision in this paper have implications for Council owned premises. The opportunities to provide more support services in the community and reducing the reliance on services delivered from buildings will reduce the carbon footprint of Milton Keynes Council, and reduce utility costs and property maintenance costs. It offers the opportunity to dovetail with the Community Asset Transfer programme, potentially releasing more buildings for community use.

4.4 Legal

The Council has a duty to promote the well-being of individuals in its area under the Care Act 2014. This means that the Council has to provide a range of social care services for meeting care and support needs of adults including care and support needs resulting from disabilities. The Council also has a duty to provide services for meeting carers' support needs.

This report relates to service provision for adults with learning disabilities. The Council is currently discharging its duties towards adults with learning disabilities through a combination of services provided in house and externally. Various proposals are contained within the report which if approved and implemented would mean a service re-modelling leading to a substantial change in how the services are delivered. The services having been delivered as they are over a long time, it is likely that service users would have a legitimate expectation that they would be consulted in relation to re-modelling the services as they currently know it. As such, the proposals are likely to trigger a common law duty to consult interested persons. As stated at paragraph 2.7 of the report, consultation has taken place, relating to the proposed changes. These have been done over a period of time and in various locations. The views of those who participated in the consultation have to be taken into consideration in reaching decisions on the recommendations which are subject of this report.

The report also proposes the increased use of external providers to provide the services. Section 8 of the Care Act 2014 allows the Council to arrange for a person other than itself to provide the services for meeting its obligations for care and support. The Council would have to take measures to ensure that the quality of care provided by such external providers is high and meets its statutory duty to promote diversity and quality in provision of the services. Measures must also be in place to ensure that service users have sufficient information about service providers to make an informed decision about how to meet needs.

Increased use of direct payments has been proposed as part of the report. Whilst the Care Act 2014 permits the authority to meet needs through direct payments, any decision to make direct payments to individuals or authorised persons must meet all conditions stated under the Care Act 2014 and regulations made pursuant to Section 33 of the Care Act 2014 i.e. The Care and Support (Direct Payments) Regulations 2014. Additionally, no direct payment can be made where it is prohibited by the said Regulations.

Any proposed reduction in the number of in – house staff currently providing the services also mean that the appropriate statutory consultations have to be conducted.

4.5 Other Implications

Y	Equalities/Diversity		Sustainability		Human Rights
	E-Government	Y	Stakeholders		Crime and Disorder

An Equality Impact Assessment has been carried out on the proposals.

Background Papers:

Review of Learning Disability Services Milton Keynes Joint Commissioning Team 2012

IPC Review of Learning Disability Services, July 2015

Learning Disability Services – Planning Ahead Cabinet Report (item 10) July 13th 2015

Learning Disability Services – Planning Ahead Appendix 13th July 2015

Learning Disability Services for the Future - Consultation Responses

1. Purpose of this paper

- 1.1 The purpose of this paper is to report themes from the recent public consultation on the future of Learning Disability Services in Milton Keynes.

2. Background

- 2.1 A strategic review of learning disability services was completed in 2012, however at the time recommendations were not taken forward. In 2014 the Joint Commissioning Team, in partnership with the Institute for Public Care (IPC), refreshed the review and recommendations. The Joint Commissioning Team commenced a consultation with people using services, their carers and families, and broader stakeholders to shape services for the future.

- 2.2 The consultation was held through a series of public meetings and workshops. Talkback, a local advocacy group specialising in working with people with a learning disability, were commissioned to facilitate the process and document themes from the meetings. The consultation took place over:

- Four Public meetings held across Milton Keynes, including the Health and Social Care Select Committee. A presentation was delivered at each event with a question and answer session.
- A presentation was delivered and question and answer session held at two Learning Disability Partnership Board meetings.
- Talkback facilitated five additional supported sessions in day centres at Tower Drive, Surrey Road and Whaddon Way to discuss the issues in the consultation.
- The consultation was also hosted on the Council's website and people were encouraged to contact the council via email or letter.

3. Consultation Responses

- 3.1 Themes used in this report are from the responses to the consultation received by email and from the work completed by Talkback. Broad themes have been used along with direct quotes of those who participated. These have been divided into comments of adults with a learning disability and parents and carers.
- 3.2 The meeting attendances are detailed in the table overleaf:

Venue and Date	No. People with a Learning Disability	No. of 'Others' (Parents, Carers & Staff)	Total
Civic Offices - 30th July	4	18	22
LD Partnership Board - 1st September	29	90	119
Bletchley Leisure Centre - 7th September	0	30	30
Tower Drive Day Service - 14th September	9	4	13
Tower Drive day Service - 15th September	8	4	12
Whaddon Way Day Service - 23rd September	10	5	15
Whaddon Way Day Service - 28th September	9	5	14
Newport Pagnell (Lovat Hall) - 29th September	6	15	21
Surrey Road Day Service - 1st October	14	0	14
Health and Social Care Committee - 6th October	3	N/K	N/K
LD Partnership Board - 31st October	8	23	31
Total	100	194	294

3.3 In addition 12 written responses were also received via email to the Council. All were from the parents of adults with a Learning Disability. A response from the parents of someone whose current support is not covered by this consultation was also received and responded to separately from this report.

4. Themes from people with a Learning Disability included:

- The importance of buildings such as day centres for making and maintaining relationships, and the organisation of group activities.
- People spoke highly of the staff and the trusting relationships that existed.
- The importance of community and how services had helped with a feeling of belonging.
- Worries about being isolated.
- Worries about finding a Personal Assistant (PA), only being supported by one person and not a team of people.
- People wanted to know if they would get the same amount of support (hours) if they were supported by a PA and paid by a direct payment.
- People wanted to know more about direct payments and what this meant.
- People wanted to know how group activities could be organised if they received support via a direct payment.
- People with a learning disability said they have gone through changes they didn't want, or didn't know were going to happen in the past (such as the closure of large residential care settings). There were things they missed about the past and this made them worried about change in the future.

4.1 Quotes of people with a learning disability:

- *"We want to be part of a real community"*
- *"(we)...build networks somewhere and then we have to leave"*
- *"I like my staff"*
- *"It's good being with all your friends (at the day centre)".*

- *“I have made good friends here, I wouldn’t see them if I didn’t come here...”*
- *“If Surrey Road closes I’d have to stay at home and do jigsaw puzzles”.*
- *“I’d like to go out more with my staff”.*
- *“I don’t want things to change”.*

5. Themes from Parents and Carers:

5.1 Many of the Parents and Carers that responded to the consultation were the carers of people with higher, complex or profound needs. There was much concern voiced about the needs of these individuals and how changed services could meet these needs, along with strong views that these needs are currently being met well by services delivered by the Council. It must be noted however that this group are the least likely to be affected by proposals, with the majority of these needs still being met directly by the Council.

- *“Who decides what constitutes profound?”*
- *“trepidation over this consultation”*
- *“very emotive subject”*
- *“I have concerns about the monitoring of quality of staff (of new services, particularly shared lives)”*
- *“Is the money that is going to be saved going to be enough for all these new ideas?”*

5.2 Safety and security were recurring issues of concern. Parents and carers think highly of both the internally provided Short Breaks Service and Day Centres. Respondents also spoke of the trust held, and that they needed to have, in the people who were supporting their loved ones.

- *“Milton Keynes has done so much for us, and we don’t want it to change”.*
- *“We accept there have to be changes but we want the same, reliable and safe services we receive now”.*
- *“this is a moral issue, we have to protect the most vulnerable*

5.3 Many stressed the importance of consistency and routine for meeting some people’s needs, and for parents and carers to be able to manage their caring responsibilities. Some of the ideas in the consultation were viewed as a threat to this. With carers worrying about how this could be maintained if day centres and short breaks services were closed or people were forced to use direct payments.

- *“If my son’s routine is knocked out, it’s us that have to pick up the pieces not you”.*
- *“I can drop him there (day centre) and I know he is happy and safe and I can get on and go to work”.*

5.4 Some people felt that although there had been improvements in the lives of people with a learning disability in Milton Keynes, there still needs to be a drive for much better access to universal services such as GP’s, Dentists and other health services in order to have all of their needs met.

- 5.5 There were differences in experiences of people from different age groups reported. For many whom care for older people, there is a feeling of a constant changing agenda. There are feelings that rights have been hard won and, although changes over the years have brought many positive improvements and outcomes, these have also brought many challenges. For some, further changes are perceived as posing yet another threat to the stability and security of the people they care for.
- *“It’s taken us a long time to get to where we are (disability rights and the standard of LD services)”*
 - *“Over the years (the service) has moved on from `no service to the high quality reliable and reassuring service which people ... with Profound and Multiple Learning Disabilities enjoy.”*
 - *“(these services) are the jewel in the crown”*
 - *“It is good things are changing for the kids coming through, they already have these choices, but it wasn’t the same for my brother”.*
- 5.6 Some of those who cared for younger people spoke highly of the support they had received through transition and were more optimistic about more flexible ways of providing support, such as direct payments and short breaks via shared lives. Some however still voiced concerns about changes to the current mix of services, as these were of importance to their loved ones and important in supporting their role as a Carer.
- 5.7 A number of people contributed very personal accounts of their experiences of supporting the people they care for. The importance placed on the wellbeing of the cared for person was clear and was a consistent driver of the concerns raised in the responses.
- 5.8 A number of people recognised the pressure the Council is under, and the need for the Council to manage resources more effectively. However this also caused concern about the role of resources as a driver for proposed changes.
- *“our most vulnerable are being sold off to the lowest bidder”*
 - *“reduce all three BUILDINGS, MONEY and PEOPLE”*
 - *“if your system works and the participants benefit from it why change it for changes’ sake?”*
 - *“I understand that saving has to be made, however for us we have a service that works so well that we can only see the changes being detrimental for XXXXX”*
 - *“WHY FIX WHAT IS NOT BROKEN! Other than to save money!!”*

6. Short Breaks:

- 6.1 People with a Learning Disability commented on enjoying and valuing the services provided by the Council and the importance of the relationships and activities accessed whilst receiving short breaks. People look forward to the time away from home and it was clear the break was of value for both the carer and the person with a learning disability.

- 6.2 Parents and Carers spoke highly of short breaks and stressed the vital role it played in maintaining their quality of life as a family, and sustaining them and their families in their caring role. People also spoke of the importance of the trust held in the staff and the services the Council delivers.
- *“I wouldn’t be here today if it wasn’t for short breaks”.*
 - *“Respite is a lifeline for some people”.*
 - *“If families aren’t supported to continue in their caring roles then the Council will see the true cost of supporting people”.*
 - *“I would be willing to contribute more towards the Short Breaks Service in order to save it.”*
 - *“Carers health and sanity will be compromised”*
 - *“...trained, competent and caring staff who know XXXXX and also know us which makes it easier for us to leave XXXXX for a few days (to rest).”*
 - *“My definition of stress is ... a situation you cannot walk away from. If you have a stressful job or you can ultimately walk away if it all gets too much. We can’t walk away. These are our children.”*
- 6.3 However, some people spoke of the inflexibility of current arrangements and that their lives were governed by when respite was available. Flexibility, and not just the amount of respite resource available, seems to increase value for carers and provide a real benefit. A lack of flexibility means the resulting break from their caring role was felt to be less useful and therefore effective than it could be if available in a more flexible and predictable way.
- 6.4 Short breaks overlaps with Shared Lives in the consultation which is addressed in Section 10.
- 7. Supported Living:**
- 7.1 One person with a learning disability spoke at a public meeting about the importance of the Community Support Team and Equality Works in their life. This respondent also touched on the importance of enough suitable housing for people’s needs, an area that requires investment and development locally.
- 7.2 Other respondents were sceptical about the use of technology in supporting people in supported living, particularly the use of social media which increased fears about safety and security.
- *“... suggest that someone in supported Living could be check on by using Telecare, Facetime or any other social media I could not believe my ears”*
- 7.3 The consultation received one written responses in relation to changes to the Supported Living Services run by the Council. This was in relation to perception that this support would have to be provided via a Shared Lives carer in future. There is however other providers who provide supported living services in Milton Keynes. Shared Lives would be an additional option to these services and responses in relation to Shared Lives are outlined in Section 10.

8. Day Services:

- 8.1 Day Centres were also highly thought of by both people with a learning disability and carers. Themes included the value of structured day activities and the routine this gives people, centres as places for skills to be developed, and relationships to be formed and maintained. In addition carers spoke of the role of day services in enabling them to continue to maintain employment.
- *“my son going to the day centre, means that I can go to work”.*
 - *“XXXXX learned to socialise at... (the day centre)”*
 - *“the group between special needs and school leavers are the ones to whom day centres have been the life blood to both service users and carers”*
 - *“If these centres close it will not only affect the users but their whole families-who may find that this may be the last straw”*
 - *“if all those affected suddenly needed full time care because the families couldn't cope- then MK council will see what the true cost would be”*
 - *“XXXXXXXX loved his 2 days in a different, controlled setting, being BUSY, ACTIVE and above all MOTIVATED”*
 - *“Buildings are good - buildings are needed ... you should visit the day centre to see what happy places they are”*
- 8.2 Some were concerned that if day centres are only used by people with profound needs, both they and people with lower needs, would miss out on the social interactions that currently happen within centres.
- 8.3 Specifically there was concern voiced about the current use of the Beanhill Day Centre and a feeling that this had already been closed with little or no warning to users.

9. Direct Payments:

- 9.1 There were many concerns raised that people needed more information about direct payments and how this would work in practice, raising questions such as:
- What support would be given to understand and manage direct payments?
 - How would people maintain the organisation and communication necessary to maintain group activities?
 - How will people be able to access the therapies and other support that building based services facilitate?
 - Won't it be more expensive for people to access universal services with 1:1 support?
 - Won't people be more isolated?
 - Will people be able to access the same amount of support (hours& days) with a direct payment?
- 9.2 Questions were raised about people with a learning disability needing to become employers and how this can be supported. Some carers voiced the opinion that for them to support people to manage their direct payments would add further to their responsibilities and stresses as carers.

- *“... I am not an Accountant and do not have the time to sort out payments and arrange Day/Respite Care when looking after 2 Adults with learning Disabilities and an 81yr old Mother”*
- *“Direct Payment is not suitable for all families... we have too much to do as it is. We need help to get through each day, not have our workload increased even more”*

9.3 Concerns were raised about how people will be supported to find and engage with personal assistants, organise group activities and maintain existing relationships built around building based services.

- *“I have no confidence we will be able to find enough carers (in reference to direct payments and shared lives)”*

10. Shared Lives:

10.1 The idea of shared lives felt far removed to a lot of people’s experiences of accessing support. Most of those engaged in the consultation could not see how this would work in practice. Many wanted more information and to be able to see it working in other areas.

Themes included:

- Concerns about how this would be monitored and how safety could be ensured.
- The need for a clearer understanding of how different needs could be met in a shared lives scheme.
- Uncertainties if there is enough people who want to become this type of carer.
- Concerns about how carers would people be recruited.
- Concerns about Shared Lives decreasing group activities (in respite) and therefore increasing isolation.
- Questions about the costs of installing specialised equipment in shared lives carers homes to support people

10.2 Quotes from respondents included:

- *“we need evidence of shared lives working somewhere else”.*
- *“Does the Council feel there are enough people who want to be involved in such a scheme?”*
- *“Abuse of the service-user... .. who will be there to monitor ...that the person is treated properly?”*
- *“Carers health and sanity will be compromised”*
- *“we believe(Shared Lives) would be totally inappropriate ... (for)... high levels of need and high use of specialist equipment”*

Wards Affected:

All Wards

ITEM 11**CABINET****11 JANUARY 2016****SHARING RESPONSIBILITY FOR LIBRARIES 'MK' – MORE THAN A LIBRARY REVIEW AND DELIVERY PLAN**

Responsible Cabinet Member: Councillor E Gifford - Cabinet Member for Community Services

Report Sponsor: Paul Sanders, Assistant Director, Community Facilities Tel (01908) 253639

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Executive Summary:

Between the months of June to September 2015 engagement with citizens and stakeholders took place in order to seek comments and views that would then shape the final report – Sharing Responsibility for Libraries 'MK' – More than a Library Review and Delivery Plan'.

The review outlines the key objectives and highlights the key messages from the engagement that provides some principles to guide the future of the Library service. This also includes a clear vision and a series of action plans working with communities and organisations for each library going forwards in order to deliver the savings target over the next three years. This paper therefore proposes that the final 'Sharing Responsibility for Libraries 'MK' – more than a Library Review and Delivery Plan be adopted.

1. Recommendation(s)

1.1 That the Sharing Responsibility for Libraries 'MK' – More than a Library Review and Delivery Plan be adopted.

2. Issues

2.1 Background

2.2 'Sharing Responsibility for Libraries MK – More than a Library Review and Delivery Plan' sets out the proposals for Milton Keynes Libraries in the context of the Council's budget proposals for 2015/16 to 2017/18. This includes the outcomes from an extensive three month engagement programme on the future of Libraries and sets out a proposed way forward for each of the Council's libraries into the future.

2.3 Vision for the future of MK Libraries

MK Libraries want to provide a good service but this has to be set in the context of continuing requirement to make savings set against a strong community value being placed on their services. Libraries need to become hubs of community activity and not just about library service. Communities have engaged in the review and this has to be continued in the future developing successful and enterprising uses for the spaces both within

libraries opening hours and beyond. This can only be done by working with communities and organisations such as Town and Parish Councils, utilizing a partnership approach that will allow libraries to be at the heart of communities offering space and support where possible. Looking to the future an action plan has been developed for each library as well as overall and is highlighted at the **Annex**.

2.4 The key objectives addressed in the review are:

- Retaining all library outlets through sharing responsibility with communities and other agencies and utilising labour saving technology
- Minimising the impact on communities particularly older and young people
- Achieving a sustainable operating model for the libraries into the future within a defined minimal level of Council funding whilst meeting statutory responsibilities
- Achieve a budget efficiency target of £500k+ through a reconfiguration of the libraries.

2.5 There were two parts to the community engagement process which was undertaken in order to gather ideas, contributions and views from residents, users, parish/town councils, ward members and other stakeholders which consisted of:

- (a) A series of face to face engagement sessions at each library which comprised of a presentation followed by an opportunity for attendees to offer their thoughts through small group work led by a member of the Sharing Libraries Team
- (b) An online survey which ran from 19th June to 22nd September 2015. This survey was actively promoted to users at the library and through the Council's website.

In total 248 people attended one of the 9 meetings which started on 23rd June and ran through to the 14th July. There were over 200 responses to the on line questionnaire. A number of other meetings were also held with Parish and Town councils and voluntary and community sector stakeholders along with a number follow up meetings with organisational contacts provided at the engagement meetings

2.6 The key headlines and themes from this exercise were as follows:

- The public place a high value on their local library
- A desire for co-located services and alternative ways of working
- A wish to retain all nine library outlets and the mobile library
- Retention and extension of current opening hours to facilitate greater access and community use for a variety of activities and programmes.
- Strong support for the increased involvement of volunteers in libraries and the creation of "Friends" groups to support the libraries

- A need to maximize the use of the library buildings for a range of community activities both within and outside published opening hours
- Parish and Town councils were seen as logical partners to work with in future provision
- Information technology and retaining high standards was seen as important
- A need for more publicity and promotion
- The importance of sponsorship, donations and increasing income
- Coffee shops in libraries
- Reticence to the introduction of fully automated libraries.

2.7 The outcomes from the public engagement have helped to ascertain what residents need and would like from our network of library assets and services. It has identified a set of key principles to drive the future of Milton Keynes Libraries to deliver cost savings or increased income. The review at the **Annex** summaries the proposed direction and these are highlighted below.

2.8 Use of Buildings

Maximise the Community use of Buildings

The engagement exercise reinforced the value the public placed on an accessible network of libraries across the borough. The introduction of technology and community involvement can protect library hours and will allow for them to be extended.

Partnership Working with Charitable Organisations

Throughout the engagement process, charitable and voluntary sector organisations were invited to come with ideas on how libraries could be shared, and to explore the potential for stakeholders to operate within the physical buildings. There are a number of potential leads for the letting of space or co-location of services in the libraries.

Parish and Town Council Partnerships

The development of partnerships with Town and Parish Councils is an important part of the delivery of the library services. Meetings to discuss the development of initiatives to support library activities continue to develop and strengthen.

Co-located services

As part of the Community and Cultural Services Review (CCSR) options explored the potential to work more closely with Children's Centers and Youth Services. Some activity in terms of outreach children's work has been established at Bletchley and Kingston Libraries. The proposed development of a new library building at Westcroft will bring not only an improved service, but cost savings to the Council in the long term.

Reduction in library size and rental of released space

Along with staffing, the operation of the library buildings themselves represents one of the larger costs. The engagement process looked to generate ideas as to how these costs could be reduced or shared. The potential for income generation at CMK and Bletchley Libraries needs to be realised through the letting of space as a result of releasing space.

2.9 Financial Issues

Income Generation

This has always been a key challenge from the libraries and was a key focus during the engagement. There is a declining market for the loan of CD and DVD's and legally the Council cannot charge for the loan of books. There is the potential to free up space in libraries which can be used creatively to generate income.

Sponsorship and Donations

Experience has shown that this can be very challenging, time consuming exercise with little or no reward. However libraries will continue to be responsive to offers of help and donations where they meet the needs of the libraries.

Making the Library Buildings More Energy Efficient

Continued investment in developing energy efficient libraries needs to be maintained, both for existing and new buildings.

2.10 Management and Operation of Libraries

Core offer and central support

MK Libraries have a number of core costs that are attributed to Central Library (CMK) in its function as the headquarters for managing libraries. These central costs support the network of nine front line library buildings, its front line staff who provide daily staffing during library opening hours, schools library service and the mobile as well as the wider community as detailed in the **Annex**. A review has resulted in further efficiencies and savings across central costs of 35% (staff reduction from 20.83FTE to 12.5FTE).

Stock

The stock in libraries is the 'lifblood' of any library provision. It has been shown that some stock on shelves in libraries can be reduced due to the order and delivery services that are in place (i.e. on line services). Space created will be used to allow further community activities to take place and to create an environment which is more flexible and responsive to community demand. Continuing investment in the purchase of new stock and the distribution of that stock needs to be maintained.

Open Libraries

The introduction of new technology, known as "open libraries", could allow a library to operate longer opening hours while reducing costs. The "open libraries" concept is due to be installed at Kingston Library and be operational by Spring 2016. This should provide some valuable feedback before rolling the service out across all libraries later in the year. Communities will have a

choice to use the libraries either at unstaffed hours when they can self-serve and self-access, or at times when they are staffed if they need support or guidance from staff. The alternative is for additional hours to be provided either through funding from partners or through the community becoming more involved through volunteering.

2.11 Information Technology

The provision of IT services is a key success factor for libraries and investment in this area is critical to success.

2.12 Publicity and Promotions

This needs to be undertaken in a number of different ways in order to ensure that the messages are getting out to a wide sector of the community as possible. This should be using both traditional methods as well as new technology.

2.13 Staffing and Volunteers

Staffing

A number of reductions in staff numbers have been made since 2012. There are a further set of savings in 2015/16 which will be found from a reduction in senior staff and frontline staff costs (i.e. those who provide staffing during library opening hours) as highlighted in the **Annex**. Reductions in staffing need to be achieved by 1 April 2016 in order to reach a level of sustainability within the council's financial restrictions.

Volunteers and Friends Groups

This has been a key theme dating back to the previous Future Libraries Review in 2012 and reinforced through the recent public engagement. The work to establish "Friends" groups in all libraries needs to be continued as their input is extremely valuable to the function of the libraries.

The role of volunteers in libraries is very much valued. They also provide valuable support to library staff, this relationship helps to sustain volunteer development. Therefore investment in their recruitment and deployment needs to be maintained.

3. **Options**

- 3.1 The 'Do nothing' option would mean that the library services would not develop, change and flourish and would ultimately decline in effectiveness, efficiency and relevance. MK Council would be at risk of not meeting its statutory duties as outlined in the Public Libraries Act, 1964 and Corporate Plan priorities.

4. **Implications**

4.1 Policy

Resources and Risk

A total of £848k savings to the Libraries' revenue budget will have been achieved over the four year MTFP period from 2014/15. This includes £348k

in addition to the £500k from the CCSR, achieved through a combination of operational and staff savings. New income initiatives are expected to contribute an additional £68k to the revenue budget.

Y	Capital	Y	Revenue	Y	Accommodation
Y	IT	Y	Medium Term Plan	Y	Asset Management

4.2 Carbon and Energy Management

Individual business cases as part of the delivery plan will embrace the need to minimise emissions.

4.3 Legal

The Public Libraries Act, 1964 makes it the statutory duty of the Local Authority to provide library services for those who live, work or study in its area. DCMS has established a sub-group to review the Public Libraries Act, 1964 in light of recent judicial reviews made by pressure groups as a result of Local Authority library closure programmes.

4.4 Other Implications

An Equalities Impact Assessment has been completed. (Available on request)

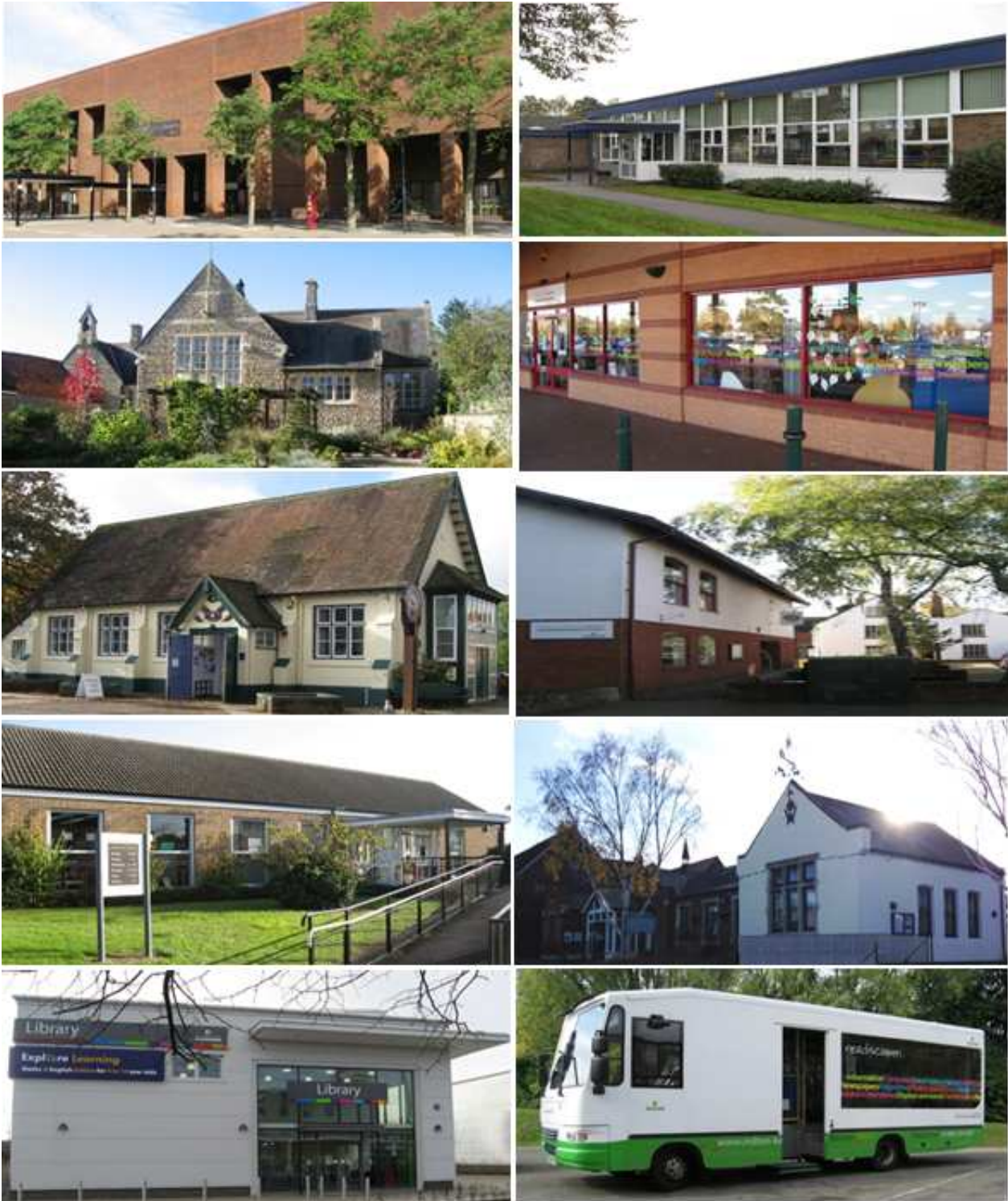
Y	Equalities/Diversity	Y	Sustainability	Y	Human Rights
Y	E-Government	Y	Stakeholders	N	Crime and Disorder

Background Papers: None

Annex – Sharing Responsibility for Libraries ‘MK’ - More than a Library Review and Delivery Plan

Link to the individual Library reviews: <http://www.milton-keynes.gov.uk/sharinglibraries>

Sharing Responsibility for Libraries MK: More than a Library



www.milton-keynes.gov.uk/sharinglibraries

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Background to the Review

This report sets out the proposals for Milton Keynes Libraries in the context of the Council's budget proposals for 2015/16 to 2017/18. This includes the outcomes from an extensive three-month community engagement programme on the future of the libraries and sets out a proposed way forward for each of the Council's libraries into the future.

Vision for the Future of Milton Keynes Libraries

Milton Keynes Libraries want to provide a good service, but this has to be set in the context of a continuing requirement to make savings and a reduction in book issues, set against a strong community value being placed on their services. Libraries have to change to meet the new challenges of an increasingly virtual world.

Libraries need to become hubs of community activity and not just provide a library service. Communities have got involved in the engagement process and this has to be continued in the future with communities promoting and maximising library use by developing successful and enterprising uses for the spaces both within library opening hours and beyond. This can only be achieved by working with communities and organisations such as Town and Parish Councils. This partnership approach will allow libraries to be at the heart of communities offering space and support where possible.

Looking to the future, an action plan has been developed for each library as well as the service overall. The key themes are:

- Development of "open libraries" – this will allow libraries to be open for longer hours while still reducing costs.
- Maintaining a flexible, professionally staffed library service.
- Developing the role of the library as a 'platform' for community and enterprise use and to enable others to organise and develop it.
- Supporting the development of Friends Groups at all libraries to help shape the use of libraries and develop fundraising initiatives.
- To continue to encourage the valuable role of volunteers in libraries providing support and training as required.
- To provide IT support, be it through Wi-Fi, PCs or technology, to manage libraries in a timely cost effective manner.
- Developing links with businesses, voluntary, public and education sectors to deliver services and share resources.
- To continue to work towards the development of a sustainable network of libraries that can share and develop services.
- To continue to develop strong partnerships with Town and Parish Councils to provide local services.

- To continue to review stock and space required to ensure that footfall is maintained and services provided to meet the needs of local communities.

Objectives

The key objectives addressed in this report are as follows:

- Retaining all library outlets through sharing responsibility with communities and other agencies and utilising labour saving technology.
- Minimising the impact on communities, particularly older and young people.
- Achieving a sustainable operating model for the libraries into the future within a defined minimal level of Council funding whilst meeting statutory responsibilities.
- Achieving a budget efficiency target of £500k+ through a reconfiguration of the libraries. A summary table is shown below:

LIBRARY BUDGETS	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	Total Savings
Base Budget (includes planning assumptions, excludes capital charges)	2,159	2,090	1,782	1,435	
Savings -					
Future Libraries MK Delivery Plan	-135				-135
Introduction of self-service radio frequency identification technology (RFID)		-78			-78
Two senior management posts deleted		-80			-80
Community and Cultural Services Review savings from HQ staff costs of £250k and front line staff costs of £250k.		-189	-311		-500
Rental savings at Westcroft Library				-55	-55
Total Savings	-135	-347	-311	-55	-848
Additional rental income			-38	-30	-68
Additional Income	0	0	-38	-30	-68
Revised Budget	2,024	1,743	1,433	1,350	

Engagement

The community engagement process was undertaken to gather ideas, contributions and views from residents, users, Parish/Town Councils, ward members and other stakeholders and consisted of two parts:

1. A series of face to face engagement sessions at each library which comprised of a presentation followed by an opportunity for attendees to offer their thoughts through small group work led by a member of the Sharing Libraries Team.
2. An online survey, which ran from 19th June to 22nd September. This survey was actively promoted to users at the library and through the Council's website.

In total, 248 people attended one of the nine meetings which started on 23rd June and ran through to the 14th July 2015. Attendance numbers varied, with Bletchley and Olney hosting over 50 people and Wolverton and Kingston with less than 10 people. There were over 200 responses to the online questionnaire. A number of other meetings were held with Parish and Town Councils and with voluntary and community sector stakeholders, along with a number of follow up meetings with organisational contacts provided at the engagement sessions.

Key Point – There was a positive response to the community engagement.

Key Messages from the Engagement

The key headlines and themes from the consultation were as follows:

- The public place a high value on their local library.
- A desire for co-located services and alternative ways of working.
- A wish to retain all nine library outlets and the mobile library.
- Retention and extension of current opening hours to facilitate greater access and community use for a variety of activities and programmes.
- Strong support for the increased involvement of volunteers in libraries and the creation of "Friends" Groups to support the libraries.
- A need to maximise use of the library buildings for a range of community activities both during and outside of published opening hours.
- Parish and Town Councils were seen as logical partners to work with in future provision.
- Information technology and retaining high standards was seen as important.
- A need for more publicity and promotion.
- The importance of sponsorship, donations and increasing income.
- Coffee shops in libraries.

- Reticence to the introduction of fully automated libraries.

Key Point – There were some clear directions gained from the community engagement process to help guide the future of the libraries.

Principles to Guide the Future of Overall Services

The outcomes from the public engagement have helped to ascertain what residents need and would like from our network of library assets and services. It has identified a set of key principles to drive the future of Milton Keynes Libraries to deliver cost savings or increase income. This document summarises the proposed direction for the libraries and the associated financial efficiencies that are to be delivered.

Use of Buildings

Maximise the Community Use of the Library Buildings

The engagement exercise reinforced the value the public places on an accessible network of libraries across the Borough. Milton Keynes is committed to the provision of libraries, but this has to be undertaken in the light of changes to the way libraries are being used and the resources available. The future has to reflect that the conventional use of the library as a place for books has lessened. There is an increasing demand for and use of IT for both customers and operationally and more demand for changes to opening hours. Operationally, libraries will need to reflect the greater use of technology and communities doing more for themselves and their libraries.

By doing this, the libraries can increasingly become more of a focal point for communities.

Key Point – The public place a high value on an accessible library network.

Key Point – The introduction of technology and community involvement can protect library hours and will allow for them to be extended.

Partnership Working with Charitable Organisations

Throughout the engagement process, charitable and voluntary sector organisations were invited to come up with ideas on how libraries could be shared, and to explore the potential for stakeholders to operate within the physical buildings. This could help to provide a presence and potentially provide some operational library related support.

A number of organisations have come forward and were identified as a result of the engagement process. Work with them will continue to maximise the community use of library spaces and create an increase in volunteers across all libraries.

- Acorn Nurseries - The opportunity to rent space at Bletchley Library will be marketed, focussing on accommodating a nursery.
- MK CAB – There is the potential to rent space in all libraries. CAB are looking at funding to run additional sessions.

- Community Action MK - Funded by the Council's Transitional Fund for CCSR, this would work to develop a volunteer workforce for libraries, youth and children's centres and is very much at an embryonic stage. The 6-month pilot, "Communities Can", will be funded to the level of £85k.
- MacIntyre - Particularly interested in the catering opportunity at Central Milton Keynes Library. Given the demand for this, work is being carried out to develop a partnership with MacIntyre alongside the redesign of Central Library. They are also interested in providing volunteers to support Wolverton Library and ultimately be a key partner in sharing responsibility for that library space. The potential for enhanced programming will result in more community footfall.
- Arts Gateway MK - No current appetite to share premises/responsibilities but opportunities will be explored for a dedicated area for art display purposes in Central Library.
- Age Concern and Mind - Discussions are in the early stages and therefore not fully defined but are focussing on opportunities to maximise services delivered from the library buildings.
- Child and Adolescent Mental Health Services – have confirmed their move to Bletchley Library.

Key Point – There are a number of potential leads for the letting of space or co-location of services in the libraries.

Parish and Town Council Partnerships

Development of partnerships with Town and Parish Councils is an important part of the delivery of the library services. These partnerships offer co-location, with the benefits of increased footfall and shared costs. Milton Keynes Libraries currently operate out of buildings that are owned by Olney, Wolverton, Stony Stratford and Woburn Sands Town Councils.

Meetings to discuss amendments to the partnership agreement and develop initiatives to support library activities are already being held and will continue to develop and strengthen the partnerships.

Key Point – The continued development of partnerships with Town and Parish Councils is seen as very important.

Co-located Services

Co-location of services has been proven to be successful in attracting a larger, more diverse clientele to library buildings. The opportunity for the development of further partnerships was an important part of the community engagement.

One of the options explored was the potential to work more closely with Children's Centres and Youth Services. Some activity in terms of outreach children's work has been established at Bletchley and Kingston Libraries and is becoming well established.

Another opportunity has been to co-locate the Westcroft Library with the nearby Westcroft Meeting Place. Initial concept design development commenced in October 2015 and the users, local community and stakeholders, including MK Councillors and the Parish Council, will be involved in the proposed design development. Should the library move location this would produce a rental saving of £55k per annum.

Key Point – The development of partnerships with organisations that can not only use but assist with the management of libraries through co-location is important.

Key Point – The development of a new library building at Westcroft will bring not only an improved service, but cost savings to the Council in the long term.

Reduction in Library Size and Rental of Released Space

Along with staffing, the operation of the library buildings themselves represents one of the larger costs. The engagement process looked to generate ideas as to how these costs could be reduced or shared. The two largest libraries (Central and Bletchley) show the greatest potential and the engagement process was broadly in favour of use of the buildings to generate income, but were keen that any income generated should be channelled back into the service.

This is an established model at Kingston with two lets on the first floor. This initiative has the potential to deliver an additional income of at least £38k in 2016/17 and £30k in 2017/18. A design and build contract was awarded at Central and Bletchley libraries in mid-September and design work is now underway with the aim to complete in late 2016.

Key Point – The potential for income generation at Central Milton Keynes and Bletchley libraries needs to be realised through the letting of space as a result of releasing space.

Financial Issues

Income Generation

This has always been a key challenge for the libraries and was a key focus during the engagement. Legally the Council cannot charge for loan of books. The reliance on fine income is self-defeating and comes at the same time as a hugely declining market in CD and DVD loans which means income generation is a major hurdle for the Council.

Key Point – There is a declining market for the loan of CDs and DVDs.

The engagement process highlighted many ideas for the use of library spaces and active measures are under way to market rooms for hire where there is a strong demand for this type of activity. There is a high level of supply through a range of community, voluntary sector and private operators and therefore hire fees have been reviewed accordingly.

Key Point – There is potential to free up space in libraries which can then be used creatively to generate income.

Fundraising, Sponsorship and Donations

Raising funds through sponsorship and donations was one of the key areas within the community engagement. Whilst people were quick to point out the potential for sponsorship, particularly for functions such as the Mobile library, experience has shown that this can be a very challenging, time-consuming exercise with little or no reward.

The libraries will continue to be responsive to offers of help and donations.

Friends Groups are vital to help libraries raise income. This can be done through a wide range of activities including:

- fundraising events;
- obtaining sponsorship;
- supporting activities in libraries;
- delivering additional programmes of events;
- activities at local fetes and festivals.

Key Point – Libraries should continue to accept offers of help and donations where they meet the needs of the libraries.

Making the Library Buildings More Energy Efficient

Reducing energy costs has been an important theme in the past with attention to lighting, heating and insulation savings at Central Library reducing utility costs. In addition, at Kingston Library the Council's required specification included a solar panel roof system. The Council only own the library buildings at Central Milton Keynes, Bletchley and Newport Pagnell but the potential to make these buildings more efficient is being explored.

The specification for the proposed new library at Westcroft will take into account the need to be energy efficient, although as an extension to an existing building, the flexibility to do this may not be as high as in a standalone building.

Key Point – Continued investment in developing energy efficient libraries needs to be maintained, both for existing and new buildings.

Management and Operation of Libraries

Core Offer and Central Support

Milton Keynes Libraries have a number of core costs that are attributed to Central Library in its function as the headquarters for managing Milton Keynes Libraries. These central costs support the network of nine frontline library buildings and the mobile as well as the wider community and enable all of the users to have access to the following at each branch:

- Access to nine library buildings and the mobile library which provide space and support infrastructure for people to work, study and research in our libraries.

- A professionally led library service across the Borough led by qualified librarians providing specialist and strategic support, frontline staff (daily staffed hours at each library), management and cover for sickness and leave.
- New books purchased and processed centrally before distribution to all libraries.
- Membership to South East Library Management System which allows access to 6 million items in addition to over a quarter of a million books and other items through Milton Keynes Libraries.
- Access to the Virtual Library. This allows renewals, reservations, online payments, room hire bookings and access to the full range of library facilities 24 hours a day.
- IT related costs including the maintenance and management of the Library Management System, public access to PCs and free Wi-Fi.
- Library development to promote and market the benefits of libraries through outreach activities and social media across all areas of Milton Keynes.
- Access to digital resources including eBooks, eAudio books and digital databases including Ancestry, business databases and online encyclopaedias.
- Management of a volunteer programme supporting council staff at all libraries including the Home Library Service and the development of “Friends” Groups in each of the nine library locations.
- Delivery of the School Library Service to Milton Keynes Primary Schools.
- Health & Safety relating to buildings, staff and customers.
- Cleaning, general maintenance and other building related services.
- HR and other staff related matters.

During the “Sharing Libraries” Review a comprehensive re-assessment of the service function and requirements of all libraries has been undertaken. This has resulted in further efficiencies and savings across the central costs of 35%. This saving is the equivalent of 8.3 FTE equivalent from central staff.

Stock

The stock in libraries is the “lifeblood” of any library provision. An examination of areas of stock that are little used has been undertaken. It has been shown that stock on shelves in some libraries can be reduced due to efficient stock management. Books can be reserved for collection at any of the Milton Keynes Libraries.

It has become clear in recent years that the income derived from CDs and DVDs is collapsing with the income in 2014/15 only just covering the purchase costs. As a result, as from April 2016 no further purchases will be made.

Space created will be used to allow further community activities to take place and to create an environment which is more flexible and responsive to community demand.

Key Point – Continuing investment in the purchase of new stock and the distribution of that stock needs to be maintained.

Key Point – The declining loans of CDs and DVDs is not sufficient to cover the costs.

“Open Libraries”

Milton Keynes Libraries are being challenged to increase services at the same time as reducing costs. This could be achieved through the introduction of new technology, known as “open libraries”, which would allow the library to operate extended opening times with no staff presence. The alternative is for additional hours to be provided either through funding from partners or through the community becoming more involved through volunteering.

This technology is being adopted by a number of UK libraries following the trend in Scandinavia. Through the use of CCTV, swipe card entry systems, automated lighting, self-service machines, PCs and Wi-Fi, customers can use the library without the need for staff to be present.

Peterborough is leading the change through their ten library buildings. Other local authorities rolling out the “open libraries” concept include:

- Barnet
- Norfolk
- Devon
- Stockport
- Harrow
- Trafford
- Leeds
- Brighton

It is feasible, with some capital investment, to install this technology into all nine Milton Keynes Libraries and the cost is in the region of £40k per library. The ongoing support costs would be around £1,500 per annum per library.

The procurement process for ensuring best value for money is underway and tenders for the work will be issued shortly.

The “open libraries” concept is due to be installed at Kingston Library and be operational by Spring 2016. This will provide some valuable feedback before rolling the service out across all libraries later in the year.

It is intended that once the installation is complete the opening hours will be increased. A timetable has been developed for “open libraries” hours which will be unstaffed. Communities will have a choice to use the libraries either at unstaffed hours when they can self-serve and self-access, or at times when they are staffed if they need support or guidance from staff.

Key Point – The installation of “open libraries” technology will allow for longer opening hours while reducing costs.

Information Technology

The current IT infrastructure across Milton Keynes Libraries, which is used by both staff and customers, is based on old technology. Due to lack of investment over the years it is now not fit for purpose and is regularly failing. Current IT problems include:

- Existing IT platforms not designed or configured to be able to support new IT needs such as “open libraries” technology and RFID (Self Service).
- Changes in customer demands are not catered for. This includes the ability to print from Wi-Fi, compatibility issues, up to date software and slow connections on public PCs.
- Greater demands placed on the IT systems due to Milton Keynes Libraries internal needs and systems are limiting working practices.
- Outdated, slow and inadequate servers with old redundant equipment remaining in the server cabinets at each library.

In addition to this, the current IT platform was not designed to support the planned library building reconfigurations which would require changes to the IT infrastructure. This is likely to cause further issues.

Many of the services are delivered on a paid for basis. This provides a useful source of income, but customers need to receive value for money and the service needs to be current and reliable.

IT underpins all the work and operations of the library and without substantial investment in new IT equipment, support and regular upgrades, Milton Keynes Libraries will have difficulty functioning. This is likely to cause major operational issues in the future as libraries become increasingly reliant on IT.

A full review of the current IT infrastructure has started and will examine what IT service is required for the future. It is likely that any IT upgrade work will be costly and capital funding will need to be sought.

Key Point – The provision of IT services is a key success factor for libraries and investment in this area is critical to success.

Key Point – Being able to roll out IT services needs to be undertaken without delay if equipment is not to become obsolete and put the library service at risk.

Publicity and Promotions

In the past, library promotions have included paper-based marketing with flyers, leaflets and posters distributed throughout the community and within libraries as well as press releases and regular online marketing through the council website and social media sites.

Statistics demonstrate that the future marketing strategy for libraries needs to embrace online promotional opportunities as these are increasingly being used. Visitors to the

Council's library website have increased by over 6% in the last year. Similarly, Facebook "likes" and Twitter followers have also increased steadily and posts are viewed over 40,000 times each month. Hits on Google pages for the libraries now reaches 60,000 visitors monthly.

However, the responsibility for promoting libraries does not rest with Milton Keynes Council alone. It is important that partners and communities play their part too by raising the profile of the libraries as a community space.

Key Point – Publicity and promotion needs to be undertaken in a number of different ways in order to ensure that the messages are getting out to as wide a sector of the community as possible. This should be by using both traditional methods as well as new technology.

Staffing and Volunteers

Staffing

A number of reductions have been made since 2012 in reducing the back office costs, including staffing. These have included savings from bringing the book stock management back in-house from Bucks County Council and the deletion of a team leader and library manager post in 2015/16 (£80k).

There are a further set of proposed savings in 2015/16 which will be found from a reduction in senior staff costs of 35% which equates to 8.3 FTE and a further reduction in frontline staff costs of 29% which is 10 FTE. These staff reductions will come into effect from 1st April 2016 allowing all staff to be treated fairly and evenly with one round of redeployment taking place.

Key Point – Reductions in staffing need to be achieved by 1st April 2016 in order to reach a level of sustainability within the Council's financial restrictions.

Volunteers and Friends Groups

This has been a key theme dating back to the previous Future Libraries Review in 2012 and reinforced through the recent public engagement. There was strong support for the increased involvement of volunteers in libraries and the creation of Friends Groups to support the libraries.

Friends Groups can provide an important contribution to support and maintain awareness of a library in a local community. Their support helps to promote the role of Milton Keynes Libraries which provides access to resources and information, encourages reading, improves literacy and contributes to learning, health and wellbeing.

Friends Groups can be involved in and support a wide range of activities which can include fundraising, obtaining sponsorship, supporting activities in libraries, supporting the recruitment of volunteers and the delivery of additional programmes of events and activities, such as local fetes and festivals that complement those provided by Milton Keynes Libraries. They act as champions for the library. They do not replace library

staff. They also provide valuable feedback to Milton Keynes Libraries about services that are provided.

Milton Keynes Libraries are in the process of encouraging Friends of Libraries Groups in all our service points apart from Stony Stratford, which already has a well-established group, and Olney who are in the early stages of setting one up.

Key Point – The work to establish “Friends” Groups in all libraries needs to be continued as their input is extremely valuable to the function of the libraries.

Volunteers: Milton Keynes Libraries are committed to providing programmes and services that foster creativity, literacy and lifelong learning. Volunteers are currently making a difference and are vital to the successful delivery of the Future Libraries Programme.

Volunteer roles have been developed throughout Milton Keynes Libraries especially since the appointment of the Library Volunteer Co-ordinator in 2013. Their roles are diverse from shelving to story time support and IT buddy support to floor walking.

The use of volunteers provides an enhanced library offering to Milton Keynes citizens and helps support the library core offers through various roles. They also provide valuable support to library staff and this relationship helps to sustain volunteer involvement.

Key Point – The role of volunteers in libraries is very much valued and investment in their recruitment and deployment needs to be maintained.

Conclusion

Milton Keynes Libraries are entering into a new era which will see them embrace technology and bring them to the forefront of communities as a resource and a service whilst still meeting the Council’s financial targets. To achieve this, a Delivery Plan has been developed which will allow progress to be monitored.

Delivery Plan

Reference	Action across all nine Libraries	Completed by
G1	Implement a revised schedule of opening hours in advance of the roll out of the “open libraries” concept in each of the nine Libraries.	1/04/2016
G2	Develop a new staffing structure reducing headquarters staff and the number of front line library staff for implementation by 1/04/2016. Front line staff roles all have an additional focus on supporting friends groups and volunteers.	1/04/2016
G3	Procure a library IT specialist to carry out an end- to-end review of the outdated library I.T infrastructure in order to identify what investments are required to ensure the libraries remain up to date.	1/03/2016
G4	With the identified I.T investment required, secure necessary Council permissions to secure a supplier to implement the upgrading of the infrastructure.	1/05/2016
G5	Complete the I.T infrastructure improvements in order that “open libraries” can be rolled out in all libraries.	1/07/2016
G6	Secure necessary Council permission to procure an “open libraries” solution and then supply and install at all nine libraries.	31/03/2017
G7	Continue to recruit and support volunteers across all libraries to support the work of paid Council staff in each of the libraries. (supported by Community Action MK).	Ongoing
G8	Support, advise and guide the development of friends groups at each of the nine libraries. (supported by Community Action MK).	Ongoing
G9	Phase out the purchase of compact discs, DVD's and Blu-ray materials.	1/04/2016
G10	Develop stronger partnerships with Parish and Town Councils to encourage a greater role in supporting the community use and support of the library assets.	Ongoing
Reference	Actions at Bletchley Library	Completed by
B1	Develop a design for a newly configured library or pursue a rebuild option with the Council's appointed Design and Build contractor.	1/02/2016

B2	Carry out a community engagement process on the development options for the investment at the library.	31/02/2016
B3	Define and agree a detailed fit out specification and occupancy agreement with the Child and Adolescent Mental Health Service.	1/03/2016
B4	Advertise and secure a tenant for the rentable space created by the newly configured library (e.g.: Nursery).	Following Development Control approval
B5	Work with interested stakeholders such as Age UK and the 'Blue Light Services' as regards their potential to use the public space within the library both within library staffed hours and during "open libraries".	31/03/2016
B6	With a defined reconfigured public library space, start to procure a supplier for the fitting out of the library with furniture and fittings and then install.	31/03/2016
B7	Ensure that energy efficiency measures are embedded into the building plans.	29/02/2016
B8	Reduce the level of stock in accordance with the level of borrowing to facilitate a reconfigured library space.	1/04/2016
B9	Develop and support a friends group.	Ongoing
B10	Develop a stronger partnership with Bletchley and Fenny Stratford Town Council and West Bletchley Town Council to encourage a greater role for these Councils in supporting the library. (e.g.: developing a friends group, volunteers, programming, publicising activities and contributing funding).	Ongoing
B11	Provide a temporary library offer during the construction/conversion works, potentially at the leisure centre.	TBC
B12	Open the newly reconfigured and collocated library building including "open libraries" technology to increase and enhance opening hours.	TBC

B13	Current		From 1st April until "open libraries"		Proposed			Total hours open		
					"open libraries"	Staffed				
	Mon	9.00 – 13.00	4	10.00-13.00	3	9.00 – 10.00 13.00 – 17.00	5	10.00 - 13.00	3	8
	Tues	9.00 – 19.00	10	10.00-17.00	7	9.00 – 10.00	1	10.00 - 17.00	7	8
	Weds	9.00 – 17.30	8.5	10.00-17.00	7	9.00 – 10.00	1	10.00 - 17.00	7	8
	Thurs	9.00 – 17.30	8.5	10.00-17.00	7	9.00 – 10.00 17.00 – 20.00	4	10.00 - 17.00	7	11
	Fri	9.00 – 17.30	8.5	10.00-17.00	7	9.00 – 10.00	1	10.00 - 17.00	7	8
	Sat	9.00 – 13.00	4	10.00-13.00	3	9.00 – 10.00	1	10.00 - 13.00	3	4
	Sun									
	Total		43.5		34		13		34	47

Reference	Actions at Central Milton Keynes Library	Completed by
C1	Develop a design for a reconfigured ground floor. (new community rentable space, lobby and café) with the Council's appointed Design and Build contractor.	1/02/2016
C2	Progress and finalise discussions with CMK Town Council in order to secure an agreed legal tenancy in the newly created rentable space and embed the Town Council's specific facility requirements within the design development (allowing for Grade 2 listed building status).	1/02/2016
C3	Work with MacIntyre and other local interested charities to develop a hot drinks facility under a partnership agreement and ensure the servery is designed accordingly.	Ongoing
C4	Procure and secure a tenant for the rentable community space in the unlikely event that agreement with the Town Council is not secured.	10/02/2016
C5	Relocate the Children's Library on the first floor in the place of the Reference library on the ground floor and vice versa.	TBC

C6	In line with the chargeable children's hour operating at Kingston Library, implement charges by Spring 2016.	Spring 2016
C7	Develop and implement further energy efficiency measures to reduce running costs.	Ongoing
C8	Open the newly configured ground floor (community space, lobby and café) including the completion of "open libraries" technology to increase and enhance opening hours.	TBC
C9	Develop a stronger partnership with CMK Town Council to encourage a greater role for the Town Council in supporting the library (e.g.: developing a friends group, volunteers, programming, publicising activities and contributing funding).	Ongoing
C10	Develop and support a friends group for Central Library.	Ongoing

C11

	Current		From 1st April until "open libraries"		Proposed			Total hours open	
	Opening Hours				"open libraries"	Staffed			
Mon	09.00 – 18.00	9	9.00-18.00	9	8.00 – 9.00 18.00 – 20.00	3	9.00 - 18.00	9	12
Tues	09.00 – 18.00	9	9.00-18.00	9	8.00 – 9.00 18.00 – 20.00	3	9.00 - 18.00	9	12
Weds	09.00 – 18.00	9	9.00-18.00	9	8.00 – 9.00 18.00 – 20.00	3	9.00 - 18.00	9	12
Thurs	09.00 – 20.00	11	9.00-20.00	11	8.00 – 9.00 20.00 – 22.00	3	9.00 - 20.00	11	14
Fri	09.00 – 18.00	9	9.00-18.00	9	8.00 – 9.00 18.00 – 20.00	3	9.00 - 18.00	9	12
Sat	09.00 – 17.00	8	9.00-17.00	8	8.00 – 9.00 17.00 – 20.00	4	9.00 - 17.00	8	12
Sun	11.00 – 14.00	3			10.00 – 16.00	6			6
Total		58	55	55		25		55	80

Reference	Actions at Kingston Library	Completed by
K1	Continue to support the strong and active team of volunteers supporting the Council staff operating at the library.	Ongoing
K2	Develop and support a friends group at Kingston Library.	Ongoing
K3	Procure a supplier for "open libraries" and open for use by 1/04/2016. Learning from this pilot this will then help inform the roll out at the other eight library buildings.	31/03/2016

K4	Develop a stronger partnership with Broughton and MK Parish Council and Kent Hill, Monkston and Brinklow Parish Council in supporting the library (e.g. developing a friends group, volunteers, programming, publicising activities and contributing funding).	Ongoing																																																																			
K5	<table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Current</th> <th rowspan="2">From 1st April until "open libraries"</th> <th colspan="2">Proposed</th> <th rowspan="2">Total hours open</th> </tr> <tr> <th>Opening hours</th> <th></th> <th>"open libraries"</th> <th>Staffed</th> </tr> </thead> <tbody> <tr> <td>Mon</td> <td></td> <td></td> <td></td> <td>13.00 – 17.00</td> <td>4</td> <td>4</td> </tr> <tr> <td>Tues</td> <td>10.00-18.00</td> <td>8</td> <td>10.00-17.00</td> <td>9.00-10.00</td> <td>1</td> <td>8</td> </tr> <tr> <td>Weds</td> <td></td> <td></td> <td></td> <td>9.00-10.00</td> <td>1</td> <td>8</td> </tr> <tr> <td>Thurs</td> <td>11.00-17.30</td> <td>6.5</td> <td>10.00-17.00</td> <td>17.00-20.00</td> <td>3</td> <td>9</td> </tr> <tr> <td>Fri</td> <td>10.00-17.30</td> <td>7.5</td> <td>10.00-17.00</td> <td>9.00-10.00</td> <td>1</td> <td>8</td> </tr> <tr> <td>Sat</td> <td>9.00-13.00</td> <td>4</td> <td>10.00-13.00</td> <td>09.00 – 10.00 13.00 – 17.00</td> <td>5</td> <td>8</td> </tr> <tr> <td>Sun</td> <td>11.00 - 14.00</td> <td>3</td> <td></td> <td>11.00 - 14.00</td> <td>3</td> <td>3</td> </tr> <tr> <td>Total</td> <td></td> <td>30**</td> <td>24</td> <td></td> <td>18</td> <td>48</td> </tr> </tbody> </table>		Current		From 1st April until "open libraries"	Proposed		Total hours open	Opening hours		"open libraries"	Staffed	Mon				13.00 – 17.00	4	4	Tues	10.00-18.00	8	10.00-17.00	9.00-10.00	1	8	Weds				9.00-10.00	1	8	Thurs	11.00-17.30	6.5	10.00-17.00	17.00-20.00	3	9	Fri	10.00-17.30	7.5	10.00-17.00	9.00-10.00	1	8	Sat	9.00-13.00	4	10.00-13.00	09.00 – 10.00 13.00 – 17.00	5	8	Sun	11.00 - 14.00	3		11.00 - 14.00	3	3	Total		30**	24		18	48	Completed by 1/05/2016 31/03/2016 Ongoing
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Total		30**	24		18	48																																																															
Reference	Actions at Newport Pagnell Library																																																																				
N1	Carry out a review of stock in accordance with the level of borrowing to facilitate the release of space for wider library use.	1/05/2016																																																																			
N2	Procure a supplier for the fitting out the reconfigured top floor of the building (furniture, fittings and soft furnishing).	31/03/2016																																																																			
N3	Continue to seek an anchor tenant for the ground floor area of the library and secure funding through S106 funding related to the housing growth in Newport Pagnell to further enhance the building in future.	Ongoing																																																																			

N4	Develop and support a friends group at Newport Pagnell Library.	Ongoing																																																																																								
N5	Develop a stronger partnership with Newport Pagnell Town Council to encourage a greater role for the Town Council in supporting the libraries. (e.g. developing a friends group, volunteers, programming, publicising activities and contributing funding).	Ongoing																																																																																								
N6	Open the newly configured and upgraded library space on the first floor including the removal of the reception desk and the implementation of "open libraries" to extend open hours.	TBC																																																																																								
N7	<table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Current</th> <th colspan="2">From 1st April until "open libraries"</th> <th colspan="3">Proposed</th> <th rowspan="2">Total hours open</th> </tr> <tr> <th>Opening Hours</th> <th></th> <th></th> <th></th> <th>"open libraries"</th> <th>Staffed</th> <th></th> </tr> </thead> <tbody> <tr> <td>Mon</td> <td></td> <td></td> <td></td> <td></td> <td>9.00-13.00</td> <td>4</td> <td></td> <td>4</td> </tr> <tr> <td>Tues</td> <td>9.00-19.00</td> <td>10</td> <td>10.00-17.00</td> <td>7</td> <td>9.00-10.00</td> <td>1</td> <td>10.00-17.00</td> <td>7</td> </tr> <tr> <td>Weds</td> <td>9.00-17.30</td> <td>8.5</td> <td>10.00-17.00</td> <td>7</td> <td>9.00-10.00</td> <td>1</td> <td>10.00-17.00</td> <td>7</td> </tr> <tr> <td>Thurs</td> <td>9.00-17.30</td> <td>8.5</td> <td>10.00-17.00</td> <td>7</td> <td>9.00-10.00 17.00-20.00</td> <td>4</td> <td>10.00-17.00</td> <td>7</td> </tr> <tr> <td>Fri</td> <td>9.00-17.30</td> <td>8.5</td> <td>10.00-17.00</td> <td>7</td> <td>9.00-10.00</td> <td>1</td> <td>10.00-17.00</td> <td>7</td> </tr> <tr> <td>Sat</td> <td>9.00-13.00</td> <td>4</td> <td>10.00-13.00</td> <td>3</td> <td>9.00-10.00</td> <td>1</td> <td>10.00-13.00</td> <td>3</td> </tr> <tr> <td>Sun</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td></td> <td>39.5</td> <td></td> <td>31</td> <td></td> <td>12</td> <td></td> <td>31</td> </tr> </tbody> </table>		Current		From 1st April until "open libraries"		Proposed			Total hours open	Opening Hours				"open libraries"	Staffed		Mon					9.00-13.00	4		4	Tues	9.00-19.00	10	10.00-17.00	7	9.00-10.00	1	10.00-17.00	7	Weds	9.00-17.30	8.5	10.00-17.00	7	9.00-10.00	1	10.00-17.00	7	Thurs	9.00-17.30	8.5	10.00-17.00	7	9.00-10.00 17.00-20.00	4	10.00-17.00	7	Fri	9.00-17.30	8.5	10.00-17.00	7	9.00-10.00	1	10.00-17.00	7	Sat	9.00-13.00	4	10.00-13.00	3	9.00-10.00	1	10.00-13.00	3	Sun									Total		39.5		31		12		31	Completed by
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O1	Continue to develop the strong relationship between the Town Council and Milton Keynes Council established in 2015 under a partnership agreement.	Ongoing																																																																																								

O2	Support the Town Council with any documentation or information that might support their conversations with other local parish council who may wish to contribute funding.	Ongoing																																																																													
O3	Work closely with Town Council in their desire to support the work/ recruitment of volunteers developing a friends group as well as potential funding support to enhance the Council's core library offer.	Ongoing																																																																													
O4	Update and review the Partnership Agreement to reflect changes in the working relationship between the two Councils.	10/03/2016																																																																													
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Total		23	15		20	15	35																																																																								
Reference	Actions at Stony Stratford Library (5-7 Church Street)	Completed by																																																																													

S1	Work closely with the Town Council on their plans to reconfigure and extend 5 – 7 Church Street to become a community learning hub for the town.	2018
S2	Carry out a review of stock in accordance with the levels of borrowing to facilitate the release of space for wider community use of the building both in the short term and long term to facilitate the proposed building configuration.	2017
S3	Support the development and enhancement of FOSSL (friends group) to support the work of the library.	Ongoing
S4	Work with the Town Council in their continuing desire to support the work of the library. (eg: volunteers, friends group, funding, promoting activities, shared posts and resources).	Ongoing
S5	Update and review the partnership Agreement to reflect changes in the working relationship between the two Councils.	As required

S6

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	Current		From 1st April until open libraries	Proposed		Total hours open
	Opening Hours			"open libraries"	Staffed	
Mon				9.00-13.00	4	4
Tues	9.00-19.00	10	10.00-17.00	9.00-10.00	1	7
Weds	9.00-17.30	8.5	10.00-17.00	9.00-10.00	1	7
Thurs	9.00-17.30	8.5	10.00-17.00	9.00-10.00 17.00-20.00	4	7
Fri	9.00-17.30	8.5	10.00-17.00	9.00-10.00	1	7
Sat	9.00-13.00	4	10.00-13.00	9.00-10.00	1	3
Sun						
Total		39.5	31		12	31

Reference Actions at Westcroft Library

W1	Develop a design for a newly relocated library immediately adjacent to Westcroft Meeting Place with the Council's appointed Design and Build contractor.	Completed by 1/02/2016
W2	Carry out a community engagement process on the proposed new library and seek to secure support for the relocated proposal.	31/02/2016
W3	Carry out a review of stock in accordance with the level of borrowing to facilitate a proposed move to a new library building.	1/04/2016
W4	Ensure that energy efficiency measures are embedded within a proposed new building.	1/02/2016
W5	Develop and support a friends group at Westcroft Library.	Ongoing

W6	Develop a stronger partnership with Shenley Brook End Parish Council and Shenley Church End Parish Council to ensure a greater role for these two Councils in the support of the library. (e.g. developing a friends group, volunteers, programming, publicising activities and contributing funding).	Ongoing																																																																					
W7	Open the new library building (subject to community agreement reference W2) including "open libraries" technology to increase opening hours.	TBC																																																																					
W8	Surrender the lease by 25/10/2017 and negotiate dilapidations on the existing library (subject to W2).	25/10/2017																																																																					
W9	<table border="1" data-bbox="507 719 1286 1921"> <thead> <tr> <th rowspan="2"></th> <th colspan="1">Current</th> <th colspan="2">From 1st April until "open libraries"</th> <th colspan="3">Proposed</th> </tr> <tr> <th>Opening Hours</th> <th></th> <th></th> <th>"open libraries"</th> <th>Staffed</th> <th>Total hours open</th> </tr> </thead> <tbody> <tr> <td>Mon</td> <td></td> <td></td> <td></td> <td>9.00 – 13.00</td> <td>4</td> <td>4</td> </tr> <tr> <td>Tues</td> <td>10.00 – 19.00</td> <td>9</td> <td>10.00 - 17.00</td> <td>9.00 – 10.00</td> <td>1</td> <td>7</td> </tr> <tr> <td>Weds</td> <td>10.00 – 17.30</td> <td>7.5</td> <td>10.00 - 17.00</td> <td>9.00 – 10.00</td> <td>1</td> <td>7</td> </tr> <tr> <td>Thurs</td> <td>10.00 – 17.30</td> <td>7.5</td> <td>10.00 - 17.00</td> <td>9.00 – 10.00 17.00 - 20.00</td> <td>4</td> <td>7</td> </tr> <tr> <td>Fri</td> <td>10.00 – 17.30</td> <td>7.5</td> <td>10.00 - 17.00</td> <td>9.00 – 10.00</td> <td>1</td> <td>7</td> </tr> <tr> <td>Sat</td> <td>10.00 – 16.00</td> <td>6</td> <td>10.00 - 13.00</td> <td>9.00 – 10.00 13.00 - 17.00</td> <td>5</td> <td>3</td> </tr> <tr> <td>Sun</td> <td>11.00 – 14.00</td> <td>3</td> <td></td> <td>11.00 – 14.00</td> <td>3</td> <td>3</td> </tr> <tr> <td>Total</td> <td></td> <td>40.5</td> <td>31</td> <td></td> <td>19</td> <td>31</td> </tr> </tbody> </table>		Current	From 1st April until "open libraries"		Proposed			Opening Hours			"open libraries"	Staffed	Total hours open	Mon				9.00 – 13.00	4	4	Tues	10.00 – 19.00	9	10.00 - 17.00	9.00 – 10.00	1	7	Weds	10.00 – 17.30	7.5	10.00 - 17.00	9.00 – 10.00	1	7	Thurs	10.00 – 17.30	7.5	10.00 - 17.00	9.00 – 10.00 17.00 - 20.00	4	7	Fri	10.00 – 17.30	7.5	10.00 - 17.00	9.00 – 10.00	1	7	Sat	10.00 – 16.00	6	10.00 - 13.00	9.00 – 10.00 13.00 - 17.00	5	3	Sun	11.00 – 14.00	3		11.00 – 14.00	3	3	Total		40.5	31		19	31	
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Reference WS1	<p>Actions at Woburn Sands Library (The Institute)</p> <p>Continue to support the work of the existing volunteer group to expand the opening hours of the library.</p>	Completed by Ongoing																																																																					

WS2	Develop and support a friends group to support the library at Woburn Sands Institute.	Ongoing																																																																																								
WS3	Continue to strengthen the sound partnership with Woburn Sands Town Council including the roll out of the “open libraries” technology into The Institute building.	Ongoing																																																																																								
WS4	Update and review the partnership agreement to reflect changes in the working relationship between the two Councils.	As required																																																																																								
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W02	Follow up on the potential for the local charity Macintyre to collocate some of their activities with in the library which could enhance volunteers in the library.	Ongoing																																																																			
W3	Develop a partnership agreement to facilitate a greater role for the Town Council in supporting the library. (eg: developing friends group, volunteers, programming, promoting activities and contributing funding).	Ongoing																																																																			
W4	Develop and support a friends group at Wolverton Library.	Ongoing																																																																			
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Sharing Responsibility for Libraries MK: More than a Library

Milton Keynes Libraries
Central Library
555 Silbury Boulevard
Central Milton Keynes
MK9 3HL

T 01908 254050
E central.library@milton-keynes.gov.uk
W www.milton-keynes.gov.uk/libraries

www.milton-keynes.gov.uk/sharinglibraries

Milton Keynes Libraries



Wards Affected:

All Wards

ITEM 12**CABINET****11 JANUARY 2016****ADOPTION OF THE PARKING STANDARDS SUPPLEMENTARY PLANNING DOCUMENT**

Responsible Cabinet Member: Councillor Legg (Cabinet member for Public Realm)

Report Sponsor: Anna Rose (Service Director Planning and Transport)

Author and contact: Diane Webber (Senior Planning Officer) Tel: 01908 252668

Executive Summary:

The draft Parking Standards Supplementary Planning Document (SPD) was the subject of a public consultation exercise from 12 August to 7 October 2015. This report highlights the key issues arising from the consultation responses and the changes to the SPD that are being proposed as a result. The main options are whether or not to amend the SPD in the light of the consultation responses and then whether or not to adopt the SPD.

The report recommends that the proposed changes are agreed and that the SPD, once amended, is adopted.

1. Recommendation

- 1.1 That the changes to the Parking Standards Supplementary Planning Document in the Consultation Summary and Proposed Changes be agreed.
- 1.2 That the Parking Standards Supplementary Planning Document, once updated to include the changes, be adopted.

2. Issues

- 2.1 A review of the current adopted Parking Standards was commissioned at the end of 2013 with the aim of producing a new comprehensive Parking Standards Supplementary Planning Document (SPD) to cover all planning use classes and other local uses, following engagement with councillors, officers and key stakeholders.
- 2.2 The Parking Standards SPD will be used to provide guidance for applicants and decision makers as to the appropriate amount of car parking necessary to support new development. The SPD also includes guidance for the design and layout of residential car parking, including and updating existing guidance in the Residential Design Guide SPD. This has the benefit of bringing the standards and design guidance into one document.
- 2.3 The SPD, once adopted, will replace the current parking standards which date from 2005, with an update in 2009 for residential standards. The review of the parking standards has been informed by consideration of:
 - the existing parking situation in Milton Keynes;
 - the standards adopted by other local authorities;

- current planning guidance in the National Planning Policy Framework;
- assessment of car ownership and use in different parts of the authority;
- consultation with stakeholders.

2.4 A stakeholder consultation exercise was undertaken in September 2014 to gather opinions on the existing standards. The draft Parking Standards SPD was then subject to an 8 week public consultation from August to October 2015. During the consultation period a number of meetings and briefings were held with interested parties, including parish councils, the Milton Keynes Transport Partnership Parking Sub Group and a group comprising developers, members of the Development Control Committee and ward councillors. In total, 41 organisations and individuals submitted comments on the draft SPD during the consultation period. The comments, the Council response and any recommended changes to the SPD are set out in the table in the **Annex [Link]**.

2.5 As further changes and refinements may need to be made to the final SPD following Cabinet's decision, the final adopted version of the SPD will be agreed in consultation with the Portfolio Holder. A draft version of the revised SPD is, however, being prepared to illustrate how the proposed changes set out in the **Annex** will look in the final SPD. A copy of this draft will be available online at: www.milton-keynes.gov.uk/streets-transport-and-parking/parking/parking-standards before the Cabinet meeting.

2.6 The issues that were most frequently raised during the consultation include:

- (a) The relationship between the SPD and the car parking standards for CMK and Campbell Park that are set out in the CMK Business Neighbourhood Plan: as part of the Development Plan, the Business Neighbourhood Plan carries more weight than the SPD. It is therefore proposed to make the relative status of the two documents clear in the SPD and to use the Plan's standards for Zone 1. The SPD breaks down some of the use classes into more detail than is the case in the Plan and in these cases the SPD provides guidance as to the standard that could be sought. The Plan's standards are the maximum number of spaces that a development should provide and this also needs to be made clear in the SPD.
- (b) Changes to residential parking standards and design guidance, particularly the introduction of a presumption against tandem parking arrangements where two or more parking spaces are not independently accessible: the change was introduced in the draft SPD as a result of concerns that tandem parking is unpopular and often results in a second car being parked on-street. Comments from a range of respondents have raised concerns regarding the impact that the approach to tandem parking could have on urban form, density and capacity of development sites. It is not proposed to change the approach to tandem parking from that in the draft SPD but the effects of the SPD in general and on housing layouts and densities in particular, will be monitored and kept under review.

- (c) Concern at the increased parking requirement for 2 bedroom flats: the 2011 Census demonstrates that flats display lower levels of car ownership than houses, although local experience suggests that 2 bed flats are often occupied by two people each of whom has a car. It is proposed therefore that standards specifically for 2 bed flats should be provided which reduce slightly that shown in the draft SPD.
- (d) A considerable number of comments were also received on the inclusion of a footnote in the draft SPD suggesting that in certain circumstances a non-residential parking bay width minimum of 2.3 metres might be acceptable. The inclusion of this note was linked to separate proposals for the reconfiguration of bays in Central Milton Keynes and it is now proposed to delete the Footnote.

3. Options

3.1 The options available are whether or not to agree to the changes to the SPD arising from the consultation and whether or not to then adopt the SPD.

- (a) Option 1: agree to make the proposed changes to the SPD and then adopt it. The proposed changes are considered to improve the clarity and effectiveness of the SPD, benefitting both applicants and decision makers. The existing standards, dating from 2005 and 2009 are in need of review. The adoption of the new SPD will provide an up to date set of parking standards. This is the recommended option.
- (b) Option 2: do not make any changes to the SPD, but still adopt it. The changes proposed in this report arise from valuable comments made by those responding to the consultation exercise and, as noted in Option 1 above, improve the clarity and quality of guidance in the document. To adopt the SPD without those changes would result in a less effective document and could lead to some criticism as to the value that the local authority places on meaningful consultation. This option is not recommended.
- (c) Option 3: do not make changes to the SPD and do not adopt it. Not adopting the SPD would leave the local planning authority relying on the old and dated Parking Standards SPGs from 2005 and 2009. This would not benefit decision making. This option is not recommended.

4. Implications

4.1 Policy

The adopted Core Strategy includes appropriate parking standards for new development and in regeneration areas as one of the ways in which Policy CS11 (A Well Connected Milton Keynes) will be delivered. If adopted, the new Parking Standards SPD will replace the old 2005 Parking Standards and the 2009 Addendum.

4.2 Resources and Risk

The preparation and adoption of the SPD has been undertaken from within existing resources.

N	Capital	N	Revenue	N	Accommodation
N	IT	N	Medium Term Plan	N	Asset Management

4.3 Carbon and Energy Management

The Parking Standards SPD is aligned to the Council's Local Transport Plan 3 and seeks to strike an appropriate balance between ensuring that adequate car parking is provided to meet the needs of new developments whilst still encouraging the use of alternative modes of transport, including walking, cycling and public transport. To that end, standards for cycle parking at non-residential development are included and the SPD introduces standards for parking spaces and seeks charging points for electric vehicles.

4.4 Legal

The Town and Country Planning (Local Planning) (England) Regulations 2012 set out the statutory requirements for the consultation and adoption of Supplementary Planning Documents (SPDs).

Once adopted in line with statutory requirements, the SPD will be a material consideration for the determination of planning applications.

The measures for community involvement relating to the SPD conform to statutory requirements and the MKC Statement of Community Involvement.

4.5 Other Implications

E-Government: The SPD will be made available on the council website.

Stakeholders: Consultation has taken place with a wide range of stakeholders in accordance with statutory requirements and the MKC Statement of Community Involvement.

N	Equalities/Diversity	N	Sustainability	N	Human Rights
Y	E-Government	Y	Stakeholders	N	Crime and Disorder

Annex: Consultation Responses and Proposed Changes to the Draft Parking Standards SPD [\[Link\]](#)

Background Papers:

- Current adopted Parking Standards, see: <http://www.milton-keynes.gov.uk/streets-transport-and-parking/parking/parking-standards>
- Consultation Draft Parking Standards SPD, August 2015, see - <http://www.milton-keynes.gov.uk/streets-transport-and-parking/parking/parking-standards>
- Draft Background Evidence document for the SPD, July 2014
- Draft version of final SPD incorporating recommended changes, available from 4 January 2016 at: <http://www.milton-keynes.gov.uk/streets-transport-and-parking/parking/parking-standards>

Wards affected: All Wards

ITEM 13

CABINET

11 JANUARY 2015

HOUSING REVENUE ACCOUNT BUDGET 2016/17

Responsible Cabinet Member: Councillor O'Neill (Housing and Regeneration)

Report Sponsor: Tim Hannam (Corporate Director Resources) Tel: 01908 252756

Author and Contact: Nicole Jones (Service Director Finance and Resources)
Tel: 01908 252079.
Mark Smith (Housing Finance Manager) Tel: 01908
253904

Executive Summary:

This report proposes the 2016/17 Housing Revenue Account Budget, Dwelling Rent and 2016/17 Housing Fees & Charges for the approval of Cabinet and recommendation to Council.

The details in this report have been prepared in accordance with the framework set out in the Medium Term Financial Strategy (MTFS), as set out in the budget report to Cabinet on 14 December 2015.

1. Recommendations

- 1.1 That the Council be recommended to adopt the Housing Revenue Account Revenue Budget 2016/17.
- 1.2 That the Council be recommended to adopt an average Housing Revenue Account Dwelling Rent of £88.77 per week for 2016/17, a reduction of 1%, an average of 88p per week.
- 1.3 That the Council be recommended to agree that the Housing Revenue Account fees and charges for 2016/17 be set in accordance with the Income and Collection Policy, apart from the proposed exceptions as set out in Annex E to the report.
- 1.4 That in line with the requirements of the Local Government Finance Act 2003, it be noted that the Corporate Director Resources, is of the view that the proposed budget is robust and that the forecast reserves are adequate.

2. The Housing Revenue Account

- 2.1 The Housing Revenue Account (HRA) is a ring-fenced account, which is used for income and expenditure relating to the provision of housing by the council to tenants and leaseholders. It is funded by rents rather than from Council Tax (which supports other services).

- 2.2 There was a major change to the financing of the HRA from April 2012, due to the implementation of the “Self-Financing” regime. This change meant the Council took on £170m of debt in exchange for no longer paying Housing Subsidy. The subsequent income and expenditure of the HRA should therefore be based on local rather than national decisions, and reflect investment needs informed by Asset Management Plans, e.g the Council’s regeneration programme. However, government plans to legislate for a 1% rent reduction have affected the Council’s ability to make decisions locally on the Housing Revenue Account.

HRA Planning Assumptions

- 2.3 The HRA Budget for 2016/17 has been prepared on the basis of the corporate planning assumptions which were set out in the Medium Term Financial Strategy approved in December. In addition the following planning assumptions specific to the HRA have been made:

Income

a) Dwelling Rents

- 2.4 The self-financing regime enabled councils to set council rents, choosing to what extent (if any) to follow government rent-setting guidance. However, the £170m of additional debt assumed that rent would continue to be set in line with the government’s Rent Restructuring policy, including increases at RPI + ½%.
- 2.5 The Government announced in May 2014 a new policy that social rents should instead increase by CPI + 1% for the ten years from 2015/16 to 2024/25, with no further restructuring.
- 2.6 The Government has since incorporated into the Welfare Reform and Work Bill a reduction in social housing rents of 1% per year for the four years, commencing April 2016. This measure will reduce rent income for the next four years, with the impact being compounded each year.
- 2.7 Rent increases complying with the 1% reduction will decrease income for the HRA in 2016/17. Based on a rent reduction of 1% in 2016/17, average rent would decrease to £88.77 per week, an average decrease of £0.88 per week.
- 2.8 A user-led rents strategy is currently being developed which will inform and influence future council rent setting, though the council’s options will be constrained by the ongoing 1% rent reductions, which had not been contemplated at the time that tenants’ views were being sought.
- 2.9 The 2016/17 rent increase for shared owners will be 2.20%; this is contractual, based on last year’s council housing rent increase. This would mean an average rent of £85.30 per week (an increase of £1.83 per week) although this figure varies with the share owned by the tenant. The proposed 1% rent reduction for council tenants will be passed on to shared owners in the following financial year.
- 2.10 The national welfare reform changes are currently a risk to some of the income in the HRA. Under the current arrangements the rent for those people in receipt of Housing Benefit is paid directly to the Council, however the

changes proposed in the Government plans for welfare reform this money will result in monies increasingly being paid directly to the resident as part of Universal Credit. This means income which was previously guaranteed to the HRA may now not be collected. In addition the general reduction in benefits through welfare reform (including the “bedroom tax”) reduces the income available to some tenants, which increases the risk of non-payment. Actions to mitigate these risks are set out in Annex D.

- 2.11 Due to these increased risks in relation to income collection, the budgeted level of collection for all rental income from 2013/14 onwards was reduced from 93% to 92%. This has been reviewed and it remains prudent to assume a level of 92% for 2016/17. However, all debts will continue to be rigorously pursued, in line with best practice.
- 2.12 Other risks arising from the Housing & Planning Bill (“Pay To Stay” and sale of “High Value Voids”) are not expected to have a material impact before implementation in April 2017.

b) Right To Buy Sales

- 2.13 The Government made changes to the Right to Buy (RTB) scheme effective from April 2012 through an increase in the discount available, intended to increase the number of RTB sales. The proposed budget provides for 60 RTB sales in 2016/17, based on current year activity, which reduces the rent income expected by £0.133m.

c) Garage & Commercial Rents

- 2.14 The budgeted income for garage and commercial rents in the HRA have reduced by £1.17m as a result of the transfer of properties to the General Fund which has resulted in a £16.5m increase in the HRA’s borrowing capacity.
- 2.15 Following investigation of other local authorities’ garage rents, and consideration of the marketability of housing garages in Milton Keynes, it is recommended that these rents are unchanged in 2016/17. The average charge would therefore remain at £11.79 per week, as set out in Annex E.

d) Leaseholders’ Service Charges & Major Works Recharges

- 2.16 Leaseholders’ service charges are estimated in line with costs of providing the service. Recovery of costs for major works in respect of leaseholders is expected to reduce by £0.25m in line with decreased capital expenditure to be recovered.

e) Heating & Utility Charges

- 2.17 Tenants’ service charges are expected to cover the costs of providing the various services, including heating and utilities, though in recent years a deficit has accumulated. The proposed budget provides for increases (capped at the level of the 1% rent reductions) which will eliminate the deficit over the next few years. These service charge increases (including some decreases) are being consulted upon through the Residents’ Involvement Group and with tenants affected.

f) Interest Receivable

- 2.18 Increased interest will be received on increased levels of HRA balances, including the Major Repairs Reserve and Regeneration reserves.

Expenditure

g) Repairs and Maintenance

- 2.19 As shown in Annex B, net revenue savings of £1.383m are expected, of this, £1.5m relates to cost reductions derived from the new contract awarded to the Regeneration partner, a £0.26m saving to the deferral of block improvements pending development of the Regeneration Programme, and for reduced demand as a result of increased RTB sales (£0.05m). These savings are offset by demobilisation costs from the previous contract (£0.2m).

h) General Management, Special Services & Other Property Costs

- 2.20 These areas include a number of proposals both for pressures and savings, including a pressure of £0.3m arising from Council overhead costs to the HRA not reducing as previously envisaged, as the share borne by General Fund services has reduced in line with their savings. There is also an additional contribution to the Regeneration partnership of £0.25m, offset by savings on Building Services (£0.25m), and savings on general management through service redesign.

i) Contribution to provision for Bad Debts

- 2.21 A reduced charge is anticipated, due to the garage and commercial property debt transferred to the General Fund, and to the reduction in Dwelling Rent debt occasioned by the improved collection rate.

j) Interest & Costs of Borrowing

- 2.22 Interest charges are expected to decrease in line with the Council's overall cost of borrowing, and increase in the interest earned on HRA balances.

k) Funding for Capital Investment

- 2.23 The HRA is charged with depreciation each year, which reflects the cost of wear and tear on HRA assets (principally the housing stock). The depreciation charge is paid into the Major Repairs Reserve, which finances the costs of major repairs.
- 2.24 The Council also makes contributions from the HRA toward the costs of capital improvements which meet the costs of maintaining and renewing all the building elements within the housing stock. This contribution is expected to increase by £1.4m to a total contribution of £11.99m, which is reflected in the draft Capital Programme currently out for consultation, alongside the £0.5m contribution to reserves set out below.

l) Contribution to Earmarked Reserves

- 2.25 When reviewing the potential financial risks to the HRA a number of issues have been identified, where it would be prudent to provide a reserve for adverse positions. It is therefore recommended that annual contributions of £0.85m continue to be made to specific reserves as follows:

Table 1: Contributions to Earmarked HRA Reserves

Reserve	Reason	Contribution £m
Impairment Reserve	To allow potential costs of impairments to fixed assets to be phased over a number of years, to prevent fluctuations which might require large rent increases.	0.250
Debt Refinancing Reserve	To phase the costs of any significant increases in debt financing costs.	0.100
Major Project Costs	To provide for major variations in the costs of capital schemes, as additional borrowing cannot be undertaken.	0.500
Total Annual Contributions to Earmarked Reserves		0.850

3. Summary of the 2016/17 HRA Budget

- 3.1 The following table shows the summary 2016/17 budget for the HRA. The proposed 2016/17 HRA Budget is compared to the 2015/16 budget in Annex A.

Table 2: Summary of the proposed HRA Budget

Item	2016/17 £m
Income:	
Dwelling rents	53.788
Other income	2.649
Total income	56.437
Expenditure:	
Repairs and maintenance	9.259
General Management & Special Services	10.816
Interest and repayment of borrowing	9.453
Funding for future capital repairs (depreciation charge)	13.135
Funding for future capital improvement works (RCCO)	11.985
Contribution to Earmarked Reserves	0.850
Other expenditure	0.939
Total Expenditure	56.437
Net budget for the year	0.000
<i>Forecast Reserve Balance - brought forward from 2015/16</i>	<i>4.569</i>
<i>Forecast Reserve Balance - carried forward to 2017/18</i>	<i>4.569</i>

4. Reserves

- 4.1 The minimum level of prudent HRA reserve to cover unforeseen adverse circumstances has been assessed at £4.5m. The reserve level at the end of 2016/17 is forecast to be £4.6m which is in line with maintaining this minimum level. The medium term projection in Annex C indicates that HRA reserves will remain at this level for the medium term planning period, although both earmarked reserves and balances will need to be reviewed in future in the light of the regeneration programme.

5. Recharges

- 5.1 The Service Reporting Code of Practice requires Council's to determine the full cost of services, by allocating overheads to these services. The overhead charges will be finalised once the final 2016/17 Budget has been set by Council.

6. Fees and Charges

- 6.1 The proposed fees and charges are in accordance with the principles set out in the Income and Collection Policy. The main principles in this Policy are:

- Charges will increase annually, informed by future consumer price index (CPI) forecasts.
- Charges are based on the full recovery of cost.
- Concessions are only for those in receipt of specific benefits, unless specifically agreed otherwise.
- Discretionary services will be charged for in advance, unless specifically agreed otherwise (e.g. for efficiency reasons).

- 6.2 The two main reasons for exceptions to the policy in the fees and charges proposed are:

- Additional concessions.
- Charges not increased in line with the policy.

- 6.3 The exemptions to the Income and Collection policy are outlined in Annex E.

7. Robustness and Risks

- 7.1 A critical element of the Medium Term Financial Strategy and Budget is to ensure that the financial consequences of risk are adequately reflected in the Council's finances.

- 7.2 In preparing the Budget for 2016/17, where a clear financial impact has been identified, this has been dealt with through the actions set out in this report or the MTFs report included within this agenda. Where the impact is not known this has been highlighted as a risk.

- 7.3 The potential risks for the Council are outlined in the HRA Budget Risk Register at Annex D. The overall risk assessment for the HRA considering the specifics outlined in Annex D has determined that the £4.5m of HRA Balances to ensure that risks are adequately reflected in the HRA Budget.

8. Related Decisions

- 8.1 Related decisions include The Medium Term Financial Strategy 2016/17 to 2019/20, approved by Cabinet on 14 December 2015.

9. Annexes

- 9.1 The following Annexes are appended to this report:

HRA compared to the 2015/16 Budget	Annex A
HRA Budget Pressures and Savings	Annex B
HRA Budget and Medium Term Forecast	Annex C
HRA Budget Risks	Annex D
HRA Fees & Charges	Annex E

10. Implications

Policy

- 10.1 The Council's Budget and Medium Term Financial Strategy are the financial expression of all the Council's policies and plans.

Resources and Risk

Yes	Capital	Yes	Revenue	No	Accommodation
No	IT	Yes	Medium Term Plan	Yes	Asset Management
		Yes	Equality Impact		

- 10.2 A Equality Impact Assessment (the full assessment can be found at <http://j.mp/MKCEqIA2015-34>) was completed and found that it was difficult to isolate the impact on equality; the main effect is on the Council's income, affecting its ability to build council houses and regenerate existing ones, both of which have far-reaching equality consequences. In general, those benefitting from the reduction of rent will find a small advancement in their equality of opportunity.
- 10.3 A budget risk register is available at Annex D to this report.

Carbon and Energy Management

- 10.4 There are no direct carbon and energy management implications as a result of this report. However, the service plans including the savings proposals and the appraisals that support capital schemes funded from HRA resources may have Carbon and Energy Management Implications and those documents will set these out.

Legal

- 10.5 The Council must set its budget, including the Housing Revenue Account budget, in accordance with the provisions of the Local Government Finance Act 1992. Approval of a sound budget each year is a statutory responsibility of the Council.

10.6 Section 76 of the Local Government and Housing Act 1989, Part VI, requires that the Council considers the HRA Budget during January and February, and provides that the budget may include “best assumptions” and “best estimates” of income and expenditure amounts.

11. Background Papers

- Duty to keep Housing Revenue Account, Part VI, Local Government & Housing Act 1989.
- The Housing Revenue Account Self-financing Determinations, February 2012, Department for Communities and Local Government.
- Cabinet 14 December 2015 Draft Budget 2016/17 Report
- Budget Scrutiny Committee 16 December 2015 papers
- Welfare Reform and Work Bill 2015
- Housing and Planning Bill 2016

ANNEX A

Housing Revenue Account – 2015/16 and 2016/17 Budgets

HRA Budget 2016/17 to 2019/20	Approved 2015/16 Budget £000's	Forecast	Forecast 2015/16	Draft
		2015/16 P8 (Nov)	Variance	2016/17 Budget
		£000's	£000's	£000's
Dwelling rents	(54,634)	(54,759)	(125)	(53,788)
Garage Rents	(756)	(756)	-	(206)
Commercial Rents	(760)	(789)	(29)	(143)
Heating & Utility Charges	(881)	(781)	100	(881)
Leaseholders' Service Charges and Major Works Charges	(1,050)	(1,150)	(100)	(800)
Charges for Services and Facilities	(118)	(118)	0	(118)
Contributions towards expenditure	(181)	(206)	(25)	(181)
Interest Receivable	(147)	(320)	(173)	(320)
Total Income	(58,527)	(58,879)	(352)	(56,437)
Repairs & Maintenance	10,609	10,516	(93)	9,259
General Management	8,104	8,297	194	8,018
Special Services	3,168	3,112	(55)	2,798
Rents and other property costs	342	323	(18)	325
Bad & Doubtful Debts	776	491	(285)	614
Interest and costs of debt	10,827	10,591	(235)	9,553
Depreciation and Impairment	13,783	13,783	-	13,385
Contribution to capital improvements	10,919	11,765	846	12,485
Total Expenditure	58,527	58,879	352	56,437
Total Housing Revenue Account	(0)	(0)	(0)	-

ANNEX B

Housing Revenue Account Pressures & Savings 2016/17

Budget Line	£m	Item
Repairs & Maintenance	0.225	Winding down of MITIE repairs contract – costs of exit from premises & vehicle leases
General Management	0.050	Implementation of “Pay To Stay” rents – project costs to develop processes and IT necessary to charge market rents for households with income over £30,000 p.a.
Gross One Off Pressures	0.275	
Rent Income	0.412	Loss of income due to Government’s rent reduction of 1% for four years
Rent Income	0.298	Loss of income due to additional Right To Buy sales following from increased discounts implemented by Government.
General Management	0.349	Overhead costs not reduced as forecast due to reductions in the General Fund council services, so that HRA share is a higher proportion of the lower support service costs.
General Management	0.250	Estimated contribution to Regeneration entity to part-fund development of whole-stock asset management plan and regeneration programme
Various	0.072	Revenue impact of HRA Asset Review transfers, which have resulted in £16.5m more borrowing capacity in the HRA to support the regeneration programme and building new council housing
Various	0.207	Pay & Non-Pay inflation in line with corporate assumptions
Gross Ongoing Pressures	1.589	
Repairs & Maintenance	(0.047)	Repair liabilities reduced for additional RTB stock losses following increased discounts
Rent Income	(0.134)	Rent income increased to reflect for lower losses due to reduced void numbers in council housing stock
General Management	(0.066)	General Management efficiency savings following review of budgets and demands
Special Services	(0.051)	Special Services efficiency savings following review of budgets and demands
Repairs & Maintenance	(0.260)	Savings due to the deferral of block improvements pending development of asset management plan and Regeneration programme in order to maximise value for money and resources for Regeneration.
Other property costs	(0.045)	Reduced Bad Debt provisions due to improved debt collection
Other property costs	(0.018)	Reduced Council Tax liabilities on the lower number of voids in housing stock

Budget Line	£m	Item
Interest & Repayment	(0.858)	Reduced net HRA interest costs; lower interest payable due to reduction in debt after HRA Asset Review transfers, and higher interest receivable on balances held for capital works and Regeneration.
General Management	(0.250)	Savings to be made in Building Services costs to resource contribution to part-fund the Regeneration entity
Repairs & Maintenance	(1.500)	Repairs & Maintenance savings linked to Regeneration arising from improved contract terms and implementation of asset management plan.
General Management	(0.200)	Service Redesign & Restructure to improve efficiency and focus on key demand areas
Gross Savings	(3.429)	
Net Movement	(1.565)	
Contribution to Capital	1.565	Increase in contribution to RegenerationMK arising from net savings across the HRA

Housing Revenue Account Budget & Medium Term Forecast

HRA Budget 2016/17 to 2019/20	Approved 2015/16 Budget £000's	Draft 2016/17 Budget £000's	Draft 2017/18 Budget £000's	Draft 2018/19 Budget £000's	Draft 2019/20 Budget £000's
Dwelling rents	(54,634)	(53,788)	(53,029)	(52,414)	(51,881)
Garage Rents	(756)	(206)	(206)	(206)	(206)
Commercial Rents	(760)	(143)	(143)	(143)	(143)
Heating & Utility Charges	(881)	(881)	(881)	(881)	(881)
Leaseholders' Service Charges	(1,050)	(800)	(800)	(800)	(800)
Charges for Services and Facilities	(118)	(118)	(118)	(118)	(118)
Contributions towards expenditure	(5)	(5)	(5)	(5)	(5)
Reimbursement costs	(176)	(176)	(176)	(176)	(176)
Interest Receivable	(147)	(320)	(400)	(350)	(300)
Total Income	(58,527)	(56,437)	(55,758)	(55,093)	(54,510)
Repairs & Maintenance	10,609	9,259	9,127	9,218	9,218
General Management	8,104	8,018	8,049	8,112	8,177
Special Services	3,168	2,798	2,929	3,085	3,254
Rents and other property costs	342	325	330	335	341
Bad & Doubtful Debts	776	614	614	614	614
Interest and costs of debt	10,827	9,553	9,493	9,746	9,781
Depreciation and Impairment	13,783	13,385	11,341	11,323	11,323
Contribution to capital improvements	10,919	12,485	13,875	12,660	11,802
Total Expenditure	58,527	56,437	55,758	55,093	54,510
Total Housing Revenue Account	-	-	-	-	-

2016/17 HRA Budget Risk Matrix

Impact	5					
	4					
	3					
	2		H1	H2		
	1			H3		
		1	2	3	4	5
Likelihood						

No.	Risk Title/Description	Control	Residual Risk Level
H1	Impact of Welfare Reform on Housing Rent collection	Potential for reduced rent collection as a result of welfare reforms (principally the “bedroom tax” and the “benefit cap”) is being managed through the provision of additional housing and financial advice to at-risk tenants, together with grants of Discretionary Housing Payments to provide transitional relief.	4
H2	Impact of the implementation of Universal Credit on Housing Rent collection	The impending roll-out of Universal Credit (UC) will increase the risk of reduced rent collection. UC will be paid in arrears with a minimum 5 week delay and will be paid directly to tenants whereas Housing Benefit (HB) has previously been paid directly to MKC. Whilst a corporate welfare reform project will look at mitigating the risks transferring all HB claimants to UC, the Housing service will also have a specific plan, including a programme of communication and advice to tenants and staff, working with the DWP and with the corporate welfare reform project board. The Housing service has restructured to enable improved collection and support.	6
H3	Impact of Housing & Planning Bill, implementing “Pay To Stay” and sale of “High Value Voids”	The introduction of market rents for social housing tenants with household incomes of over £30,000 in April 2017 is expected to result in an increase in RTB sales, and a decrease in collection rates; the Council will have to pay a levy to the Government irrespective of actual collection rates. The council will be obliged from April 2017 to consider disposal of “high value” stock as it becomes void, and pay a levy to the Government based on the expected receipts. The basis and amounts of these levies have not yet been released or consulted upon, and mitigation of the risks (including the risk of pre-implementation impacts) is therefore hampered.	3

ANNEX E

HRA Fees & Charges not increasing in line with the Income and Collection Policy

Activity/Item GN = General Needs SH = Sheltered Housing	Basis	VAT (Y or N)	2016/17 Value (exc. VAT)	2016/17 Value (inc. VAT)	2015/16 Value (exc. VAT)	2015/16 Value (inc. VAT)	Increase/ (Decrease)	Reason why the increase/(decrease) differs from the Income and Collection Policy (2%)
Average Tenant Dwelling Rent (all stock types)	Per Week (50 Week)	N	88.77	88.77	89.67	89.67	-1.00%	1% reduction as per Welfare Reform Bill
Average Shared Ownership Dwelling Rent (full ownership equivalent)	Per Week (50 Week)	N	85.30	85.30	83.46	83.46	2.20%	Contractually linked to last year's tenanted stock increase of 2.2%
Garage Rents - non-VATable	Per Week	N	11.79	11.79	11.79	11.79	0.00%	Rents high compared to other local authorities, and demand still weak
Garage Rents - VATable	Per Week	Y	11.79	14.15	11.79	14.15	0.00%	Rents high compared to other local authorities, and demand still weak
Carport Rents - non-VATable	Per Week	N	2.33	2.33	2.33	2.33	0.00%	Rents high compared to other local authorities, and demand still weak
Carport Rents - VATable	Per Week	Y	2.33	2.80	2.33	2.80	0.00%	Rents high compared to other local authorities, and demand still weak
Mellish Court Concierge Charge - GN Tenants	Per Week	N	5.77	5.77	6.78	6.78	-14.90%	Charges reviewed and subject to Delegated Decision on 19 January after consultation
Communal Flat Cleaning charge - GN Tenants	Per Week	N	2.39	2.39	0.97	0.97	146.39%	Charges reviewed and subject to Delegated Decision on 19 January after consultation
Communal Flat Caretaking - GN Tenants	Per Week	N	0.95	0.95	0.00	0.00	new	Charges reviewed and subject to Delegated Decision on 19 January after consultation
Communal Heating charge - SH Tenants	Per Week	N	11.19	11.19	11.19	11.19	0.00%	To be reviewed after implementation of Sheltered Housing changes to warden etc. services
Communal Heating charge - GN Tenants	Per Week	N	6.60	6.60	6.81	6.81	-3.08%	Charges reviewed and subject to Delegated Decision on 19 January after consultation
Communal Lighting charge - SH Tenants	Per Week	N	2.98	2.98	2.98	2.98	0.00%	To be reviewed after implementation of Sheltered Housing changes to warden etc. services
Communal Lighting charge - GN Tenants	Per Week	N	0.93	0.93	0.00	0.00	new	Charges reviewed and subject to Delegated Decision on 19 January after consultation
Communal Gas charge - SH Tenants	Per Week	N	0.81	0.81	0.81	0.81	0.00%	To be reviewed after implementation of Sheltered Housing changes to warden etc. services
Communal Water charge - SH Tenants	Per Week	N	4.43	4.43	4.43	4.43	0.00%	To be reviewed after implementation of Sheltered Housing changes to warden etc. services

Activity/Item GN = General Needs SH = Sheltered Housing	Basis	VAT (Y or N)	2016/17 Value (exc. VAT)	2016/17 Value (inc. VAT)	2015/16 Value (exc. VAT)	2015/16 Value (inc. VAT)	Increase/ (Decrease)	Reason why the increase/(decrease) differs from the Income and Collection Policy (2%)
Digital TV Ariel installation recharge (Sheltered scheme tenants)	Per Week	N	0.91	0.91	0.91	0.91	0.00%	Charges set in line with the agreed recovery of installation cost over a period of 5 years
Digital TV Ariel installation recharge (General Needs tenants)	Per Week	N	1.00	1.00	1.00	1.00	0.00%	Charges set in line with the agreed recovery of installation cost over a period of 5 years
Digital TV Ariel maintenance charge	Per Week	N	0.10	0.10	0.10	0.10	0.00%	Charge is based on the recovering the costs of maintenance
Fees for tenant references - for mortgages	per case	N	30.00	30.00	25.00	25.00	20.00%	Increased above 2% as not reviewed for some time
Commercial Rents	Annual charge per letting	N	Variable charge	Variable charge	Variable charge	Variable charge	0.00%	Increases as per contractual Rent Reviews
Rechargeable repairs	Actual cost	N	Variable charge	Variable charge	Variable charge	Variable charge	0.00%	Linked to actual cost of repairs
Leaseholder service charges	Actual annual cost	N	Variable charge	Variable charge	Variable charge	Variable charge	0.00%	In line with lease and raised as per actuals costs incurred in accounting period
Leaseholder major works	Actual cost	N	Variable charge	Variable charge	Variable charge	Variable charge	0.00%	In line with lease and raised as per actuals costs incurred in accounting period
Leasehold & Shared Ownership Respective Consent to Alterations	Per Enquiry	N	80.00	80.00	80.00	80.00	0.00%	Basis of recharge to be reviewed in 2016/17
Leasehold Solicitor's Enquiries (re- mortgage or resale) - response within 5 days	Per Enquiry	N	100.00	100.00	100.00	100.00	0.00%	Basis of recharge to be reviewed in 2016/17
Leasehold Solicitor's Enquiries (re- mortgage or resale) - response within 10 days	Per Enquiry	N	75.00	75.00	75.00	75.00	0.00%	Basis of recharge to be reviewed in 2016/17
Leasehold Subletting Fee	Per Sublet	N	10.00	10.00	10.00	10.00	0.00%	Basis of recharge to be reviewed in 2016/17
Leasehold Extension/ Shared Ownership	Per Application	N	100.00	100.00	100.00	100.00	0.00%	Basis of recharge to be reviewed in 2016/17
Leasehold Extension - Admin Fee	Per Application	N	500.00	500.00	500.00	500.00	0.00%	Basis of recharge to be reviewed in 2016/17
Leasehold Extension/ Shared Ownership	Per Application	N	100.00	100.00	100.00	100.00	0.00%	No change as to be reviewed with leasehold next year
Shared Ownership Enquiries (re- mortgage only) - response within 5 days	Per Enquiry	N	75.00	75.00	75.00	75.00	0.00%	No change as to be reviewed with leasehold next year
Shared Ownership Enquiries (re- mortgage only) - response within 10 days	Per Enquiry	N	100.00	100.00	100.00	100.00	0.00%	Basis of recharge to be reviewed in 2016/17
Shared Ownership Assignment Fees	Per Assignment	N	5.00	5.00	5.00	5.00	0.00%	Variable depending on lease £5-£30. Contractual within the lease
Shared Ownership Staircasing Valuation	Per Valuation	N	5.00	5.00	5.00	5.00	0.00%	

Activity/Item GN = General Needs SH = Sheltered Housing	Basis	VAT (Y or N)	2016/17 Value (exc. VAT)	2016/17 Value (inc. VAT)	2015/16 Value (exc. VAT)	2015/16 Value (inc. VAT)	Increase/ (Decrease)	Reason why the increase/(decrease) differs from the Income and Collection Policy (2%)
Notice of Transfer	Per Notice	N	40.00	40.00	40.00	40.00	0.00%	Basis of recharge to be reviewed in 2016/17
Notice of Charge / Mortgage	Per Notice	N	40.00	40.00	40.00	40.00	0.00%	Basis of recharge to be reviewed in 2016/17
Letter/Deed of Postponement	Per Notice	N	40.00	40.00	40.00	40.00	0.00%	Basis of recharge to be reviewed in 2016/17
Deed of Variation/Rectification	Per Notice	N	265.00	265.00	265.00	265.00	0.00%	Basis of recharge to be reviewed in 2016/17
TV licence charges for Sheltered Housing Schemes	Annual charge	N	7.50	7.50	7.50	7.50	0.00%	No change to the concessionary fee
Key charges - Assa, Yale/Communal, Union, Fobs	Per Key	N	10.00	10.00	10.00	10.00	0.00%	Separate charges to be introduced for different types of keys
Key charges - Tbar, Triangle	Per Key	N	5.00	5.00	n/a	n/a	N/A	Separate charges to be introduced for different types of keys
Key charges - RUKO	Per Key	N	20.00	20.00	n/a	n/a	N/A	Separate charges to be introduced for different types of keys

MILTON KEYNES DEVELOPMENT PARTNERSHIP QUARTER REVIEW

Responsible Cabinet Member: Councillor Middleton (Cabinet member for Resources and Commercialism)

Author and contact: Charles Macdonald (Chief Executive) Tel: (01908) 253899

Executive Summary:

This paper is a quarterly progress update on the activities of Milton Keynes Development Partnership

Cabinet are invited to note progress to date.

The quarterly update annexed to this Cabinet paper sets out:

- Highlights
- Key Strategies
- Challenges
- Financial update
- Progress on key sites

1. Recommendation(s)

1.1 That the progress against the Business Plan be noted.

1.2 That the forecast revenue and capital position from 2015/16 to 2019/20 be noted.

2. Background

2.1 Milton Keynes Development Partnership (MKDP) is requested to provide updates / progress reports to Cabinet on a quarterly basis. The quarterly progress report to date on the October 2015 MKDP Business Plan is **Annexed**.

2.2 The next quarterly update is July 2016 and the next formal update of the MKDP's Business Plan is October 2016.

3. Options

Not applicable

4. Implications

4.1 Resources and Risk

MKDP's forecast revenue and capital position as at November 2015 is set out in the update

MKDP still expects to meet the loan interest costs and the MK Tariff share reserve charges that apply from 2018/19 and beyond

Y	Capital	Y	Revenue	N	Accommodation
N	IT	Y	Medium Term Plan	Y	Asset Management

4.2 Carbon and Energy Management

Not applicable

4.3 Legal

Not applicable

4.4 Other Implications

N	Equalities/Diversity	Y	Sustainability	N	Human Rights
N	E-Government	Y	Stakeholders	N	Crime and Disorder

Background Papers: None

**Milton Keynes Development Partnership
Quarterly Update to MKC Cabinet 11th January 2016
Progress on MKDP Business Plan to December 2015**

Introduction:

MKDP is a Limited Liability Partnership established in 2012 to manage and promote the assets purchased from the Homes and Communities Agency by Milton Keynes Council in January 2013.

MKDP is an independent legal entity wholly owned by the Council. The Board comprises four Elected Members including the Leader of the Council and five Independent Members including an Independent Chair.

MKDP is empowered to take an entrepreneurial approach to deliver long-term economic value and social benefits for all the citizens of Milton Keynes. It is wholly owned by and accountable to MKC.

MKDP's Purpose:

MKDP was set up to facilitate Milton Keynes' continued economic growth by promotion the development of land assets acquired from the Homes & Communities Agency. Its role is to deliver economic and social value from its 70+ development sites, (265 developable acres) in line with MKC's Corporate Plan and Economic Development strategy.

Highlights:

- Growing pipeline of transactions: Within the past 3 months we have completed on 3 schemes generating capital receipts of over £1m, exchanged contracts on a further 4 land transactions and solicitors have been instructed on 11 more land transactions.
- Development activity has commenced on the Honda F1 R&D facility on Winterhill and construction activity is to start early in the new year on Victoria House the new 40,000 sq ft office scheme on Avebury Boulevard
- Increasing confidence that MKDP will exceed its medium term financial targets. Our financial projections show that we will meet our financial obligations to MKC by substantially reducing debt to ensure that any interest costs can be met from ongoing P&L results.
- With growing confidence MKDP is embarking on a number of more ambitious schemes including the potential promotion of a housing festival project in Campbell Park. The housing festival site, to be located on the south side of Campbell Park, seeks to attract residential designs from individuals, small developers and key national developers that will deliver a mix of apartments, town houses, detached and semi-detached homes of different sizes and tenures. The project is perceived to have the potential to significantly improve the quality and speed of delivery of new homes across MK; the project could develop housing models and products that could be rolled out across the city and with concepts included in the future marketing of housing sites. The successful delivery of the project would add to the City's reputation to be innovative and a brand leader. A formal paper assessing the feasibility of Homeworld50 shall be presented to Board at its meeting in January 2016.

- Strategic property advice continues to be given to MKC with negotiations concluding on key transactions including the Agora, Wolverton and the proposed YMCA redevelopment in CMK. Advice is ongoing in respect of development opportunities in the Western Expansion Area and Tickford Fields Farm.

MKDP key strategies:

MKDP will help to facilitate the implementation of MKC's vision for the growth of Milton Keynes by the appropriate development of its land assets, and other land assets belonging to MKC by:

- exploring possible future uses for assets previously owned by the HCA and various assets already owned by MKC.
- engaging with third party developers, investors and advisers to ensure that proposed uses create best value and are commercially viable and deliverable.
- ensuring appropriate consultation and engagement with elected members, parish/town councils, and other stakeholders in the preparation of development briefs for the sites as required under the development brief protocol.
- collaborating with other land interests to maximise the opportunities for beneficial development.
- working collaboratively with public and private sector partners and taking a proactive approach to commercial development.
- encouraging private sector investment in Milton Keynes, whether by way of expansion or inward investment.
- bringing forward residential, commercial and ancillary development in line with the objectives of the Council's Corporate Plan and other key strategies, particularly the Core Strategy and Economic Development Strategy.

Challenges:

MKDP faces a number of major challenges and is required to:

- Continue to seek to develop the portfolio of mainly 'difficult' sites and realise double, or more, its initial value over time.
- Generate sufficient revenues within 5 year to pay down some of all of the £32m debt and/or generate sufficient income to pay the interest on the loan.
- Although it was established to operate on an entrepreneurial basis, MKDP has to work within the bounds of MKC procurement rules and be accountable for the use of public money.
- Communicate with stakeholders ore effectively especially to clarify MKDP's role and its relationship with MKC.

Financial update

The pipeline of potential transactions is improving, which is providing added security towards achieving our target. MKDP's figures presented are subject to risk factors in early years to reflect uncertainties and the uneven nature of capital receipts from property transactions and development.

It was previously reported that changes to the proposed education site disposals specifically on Shenley Wood and the adoption of the CMK Alliance Plan introduced pressure on MKDP's ability to deliver forecast capital receipts for the current financial year (to 31st March 2016). Delay with the proposed Wyevale Garden site disposal in particular has eroded our risk reserve for the current financial year however with proposed disposals to MKC at

Shenley Wood and Kents Hill we have confidence that we will still meet our forecast capital receipts for the financial year.

Summaries Table

The forecast revenue and capital position for MKDP from 2015/16 to 2019/20.

Note: Due to MKC accounting conventions, figures in () represent surpluses

Probability Factor Applied	100%	50%	75%	75%	75%
2014-20 Financial Plan	2015/16	2016/17	2017/18	2018/19	2019/20
	£000s	£000s	£000s	£000s	£000s
<u>P&L</u>					
Expenditure	2,410	2,586	2,346	2,454	2,534
Income	(2,716)	(2,926)	(2,889)	(2,889)	(2,889)
Annual (Profit)/Loss	(306)	(340)	(543)	(435)	(435)
Cumulative (Profit)/Loss (Dec 2015)	(830)	(1,169)	(1,712)	(2,147)	(2,502)
Cumulative (Profit)/Loss (Sept 2015)	(896)	(1,196)	(1,608)	(1,534)	(1,735)

<u>Capital Expenditure</u>					
Site Preparation	700	843	165	72	388
Repay Debt	4,443	6,660	9,117	9,358	6,387
MK Tariff Risk Share Reserve				580	580
Total Capital Expenditure	5,143	7,503	9,282	10,010	7,355
Capital Receipts	(4,937)	(7,503)	(9,282)	(10,010)	(9,355)
Net Capital Position	206	(0)	(0)	(0)	(2,000)
Cumulative Capital Position (Dec 2015)	0	(0)	(0)	(0)	(2,000)
Cumulative Capital Position (Sept 015)	206	206	206	206	(1,794)

The probability factor for 15/16 has been increased as we can be more confident that the (reduced) receipts will be realised this year. The five year plan continues to show that most of the capital receipts will be spent on reducing debt. The Board is looking at various reinvestment opportunities (for example Campbell Park) to produce ongoing improvements in annual earnings. As such it can be expected that these debt repayments will be lower than shown.

Key transactions identified for the 15/16 financial year include:

- Winterhill – Sale complete
- CMK B3.2S – Contracts exchanged, planning permission granted. Completion imminent.
- Monkston Park Self Build Plots – All plots have exchanged, 3 have completed and 3 remain subject to planning. .
- ISS Shenley Church End – Contracts exchanged. Completion subject to planning consent.
- Wolverton Site E – Contracts exchanged. Completion subject to planning consent.

- Kents Hill Secondary School - Terms agreed, site acquisition in MKC Capital programme for 15/16.
- West Ashland part Site A – Terms agreed, solicitors instructed, in pre-app discussions.
- CMK D4.4 Wyevale Gardens – Terms agreed, solicitors instructed end user in pre-app discussions.

The financial projections are subject to identified risks but include prudent estimates of potential sales and on-going income generation.

Progress on major land assets

Campbell Park Canalside

Crest Nicholson Regeneration are appointed preferred development partner and it is anticipated that formal development agreements will complete early in the New Year. Scheme designs are evolving quickly and stakeholder consultation on detailed design matters is anticipated to re-start Q1 2016.

Campbell Park Northside (Sites F1, G1, H1)

Agents have been appointed to test the appetite of national/ regional developers and investors in becoming MKDP's Strategic Development Partner (SDP). The SDP would then work with MKDP to bring forward a quality residential led development over the 12 ha sites at Campbell Park Northside. Assuming a positive outcome to the feasibility, agents will be instructed to market / tender the opportunity in Q1 2016 and to assist MKDP in securing its SDP. A paper shall be submitted to Board at its meeting on 21st December 2015.

The National Bowl

MKDP has commissioned a feasibility study to assess future leisure opportunities and the redevelopment of the National Bowl together with the development of Elfield Park. A report on potential options and opportunities will be presented to Board in March 2016

This is a hugely popular site/facility and it is acknowledged that it is important that the uses on the site are retained and enhanced where appropriate with consideration given to a wide range of leisure and sporting activities together with associated commercial development. MKDP has engaged with the existing operator to explore a more proactive strategy of enhancements to the Bowl Arena and cycling facilities and have entered into collaboration agreement to assess potential at Elfield Park.

B4 (site opposite Sainsbury's)

MKDP is in the process of acquiring the remaining land currently in ownership of the HCA to assemble an entire grid square for development.

Stakeholder engagement, careful consideration of land use options, master planning and land retention to support other key office, leisure and residential initiatives to be rolled out in 2016.

Progress on key sites

Site	Type	Status	Notes
Atterbury	Residential	Contract negotiations continue	Exchange of contracts anticipated early New year with planning to be submitted Q2 2016
Campbell Park Canalside	Residential, mixed use and leisure	Contract negotiations continue	The scheme design is rapidly evolving. Stakeholder consultation on design matters is anticipated to re-start Q1 2016 with planning for phase one (to include amenity uses) anticipated to be submitted late Q2.
CMK Site B3.3N	Offices	Preferred development partner identified	Following a successful tender exercise a preferred development partner has been identified. The developer to work in partnership with MKDP to deliver new high quality grade A offices to bolster the supply pipeline and enhance opportunities to attract inward investment.
CMK Site D4.4 (Wyevale)	Care home	Terms agreed	Progressing through pre-app discussions with MKC and design evolution prior to exchange of contracts and the submission of a planning application.
CMK C3.3S (adjacent to CBX3)	Commercial	Terms agreed	Scheme designs are evolving in advance of pre-app discussions with MKC and contract.
Independent School Site Shenley Church End	Education	Sale contract exchanged for an Alternate Provision school for junior school aged children	Progress with planning has been slower than anticipated with planning now anticipated to be submitted Q1
Kents Hill Sites B & E	Education	Terms agreed and solicitors instructed	Disposal of sites to facilitate the proposed CMK Secondary School, Special school and Primary school. The Development Brief supporting the change of uses has been approved and formal MKC approval is anticipated 21 /12
Loughton - Little Meadow	Residential	Terms agreed and solicitors instructed following tender	Development site for two homes
MK Gallery	Leisure	Terms agreed	Land to be transferred to MKC to facilitate expansion under a restructured lease.

Site	Type	Status	Notes
Monkston Park - Ladbroke Grove	Residential	Terms agreed and solicitors progressing contracts	Plot to be sold to a co-housing group.
Monkston - Lilleshall Avenue	Residential	Preferred developer appointed. Heads of terms agreed and solicitors appointed.	Scheme of 25 new and affordable homes.
Monkston Park – Self Build	Residential	Seven self build plots have been marketed	All plots have exchanged, 3 have completed and 3 have submitted planning.
Pineham	Commercial	Terms agreed with developer	Developer acting on behalf of a European retailer requiring a national warehouse and distribution facility.
Shenley Church End - Aldwycks Close,	Residential	Progressing Contracts	Two self build plots
Shenley Wood Site D	Education	Terms agreed and solicitors instructed	Disposal to facilitate the proposed primary school. The Development Brief supporting the change of uses has been approved and formal MKC approval is anticipated 21 /12
West Ashland North	Commercial	Terms agreed and solicitors instructed	Disposal to Bucks and MK Fire Authority
West Ashland South	Commercial	Terms agreed and solicitors instructed	2 acre parcel on a long leasehold disposal to a logistics company. Pre-app submitted and design finalised. Awaiting formal planning application.
Winterhill – Honda F1	Commercial	Land transaction completed and planning approved	Construction has commenced. Practical completion of the scheme is anticipated q2 2016.
Wolverton Site E	Commercial	Contracts exchanged	c30,000 sq ft of offices and warehousing, Planning submitted Nov'15.
Wolverton Site G (South)	Commercial	Conditional sale contract agreed and exchange imminent	Proposed for sui generis use. Subject to change of planning use
Worrelle Avenue Middleton	Residential	Preferred developer appointed	27 unit residential development to include market and affordable homes

REVENUE AND CAPITAL BUDGET MONITORING REPORT - TO END OF DECEMBER 2016

Responsible Cabinet Member: Councillor Middleton (Cabinet member for Resources and Commercialism)

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Executive Summary:

This report advises Cabinet of the forecast outturn position for the General Fund; Housing Revenue Account (HRA) and Dedicated Schools Grant.

The General Fund revenue forecast outturn is an overspend of £2.744m, after the use of £3.863m of one-off resources, (an increase in the overspend of £0.502m since P8).

The Dedicated Schools Grant is reporting a forecast underspend of (£0.174m) against budget (an increase in the underspend of (£0.030m) since P8). The Housing Revenue Account is reporting a (£0.352m) surplus.

The Capital Programme has spend approval of £138.660m. At the end of December the forecast outturn is £119.360m, an overall variation of (£19.300m) against the latest spend approval. This figure includes forecast re-phasing of £19.371m bringing the position to a net overspend of £0.071m. A provision of £1.679m has been set aside to fund the overspend on the A421, which is not included in the reported position.

1. Recommendation(s)

- 1.1 That the forecast outturn position of £2.744m and the management actions currently underway to mitigate this position be noted.
- 1.2 That the forecast outturn for the 2015/16 Capital Programme, and the management actions underway to address the overspend on the A421 scheme be noted.
- 1.3 That the treasury activity to 31 December 2015 be noted.
- 1.4 That the amount written off since the end of September 2015; approve the historic write-off beyond statute of limitations and note the overall debt position for the Council be noted.
- 1.5 That the forecast outturn position for the Milton Keynes Service Partnership and Milton Keynes Development Partnership be .
- 1.6 That the movement in the establishment in the last quarter be noted.

2. Corporate Leadership Team (CLT) view on Outturn Position

2.1 CLT are concerned about the increasing demand for children's social care, including the impact of homelessness where costs of placements continue to increase due to lack of availability of low cost housing.

2.2 The Council has made good progress in implementing budget savings with 63% (£14.337m) of the savings being achieved to date and 26% (£5.904m) are forecast to be achieved by the end of 2015/16. The remaining 11% (£2.476m) of savings will either be achieved in future years or mitigated within the service areas (only £0.8m of savings, less than 4%, are undeliverable). This shows a strong position in terms of delivery, but the major issue is the growth in demand for services during the current financial year.

2.3 CLT are continuing to reduce discretionary spending and will seek to implement 2016/17 savings during the current financial year (if appropriate) in order to reduce this forecast overspend over the remaining four months of the financial year.

3. General Fund Forecast Revenue Outturn

Table 1 below shows the provisional revenue outturn figures as at the end of December 2015 as an overspend of £2.744m against the budget.

Table 1: Outturn as at 31st December 2015

	Budget £m	Forecast Outturn £m	Projected Variation £m	Movement from P8 £m
Adult Social Care & Health	60.692	60.702	(0.010)	0.060
Children's Services	50.901	52.599	1.698	0.333
Public Health	10.247	10.247	0.000	0.000
Total People	121.840	123.548	1.708	0.393
Housing & Community	0.956	1.800	0.844	0.082
Planning	1.843	1.843	0.000	0.000
Public Realm	33.726	33.745	0.019	0.019
Community Facilities	7.257	7.412	0.155	0.000
Total Place	43.782	44.800	1.018	0.101
Total Resources	5.146	5.438	0.292	(0.008)
Total Corporate Core	0.836	1.032	0.196	0.000
Net Operating Expenditure	171.603	174.817	3.214	0.502
Debt Financing	19.118	18.768	(0.350)	0.000
Sustainability Items, levies and one off pressures	11.475	11.475	0.000	0.000
Asset Rentals	(16.256)	(16.256)	0.000	0.000
Outturn position	185.940	186.060	2.414	0.502
Less Resources available	(185.940)	(186.060)	(0.120)	(0.000)
Net (under)/overspend	0.000	2.744	2.744	0.502

Main movements since P8

3.1 Adult Social Care and Health are reporting a movement of £0.060m. The most significant changes since period 8 are as follows:

- Learning Disability Services - Following a review of staffing establishment and vacancies, out of area supported living placements and additional continuing health care funding there is a movement of (£0.548m).
- Mental Health services have placement overspends following the transfer of service delivery from Central and North West London Foundation Trust. This is currently forecast to be £0.415m.
- Intermediate Care - There has been an increase in underspend of (£0.128m) as health funding has been identified to cover agency costs.
- Older People & Physical Disability Integrated Services - The conclusion of a recent ordinary residency court case has resulted in the Council being liable for backdated and ongoing nursing care fees for a client of £0.130m and associated court costs of £0.080m.

3.2 Children's Services are reporting a movement of £0.333m since period 8. The key variations include:

- The placements via external agencies overspend has increased by £0.235m in month, as a result of seven new placements.
- The forecast overspend in Home to School Travel has increased by £0.065m since the previous period due to new requests in November for pupils to receive special education travel and requests being granted through the exceptions and appeals process.
- Agency usage in the Corporate Parenting and Children Social Care Team is now forecast to overspend by £0.200m after taking current vacancies into account. The service has launched a refreshed recruitment campaign and have been able to recruit to some of the vacant posts – these appointments are being progressed.
- Fostering and Adoption is forecast to overspend by £0.082m. There is an overspend of £0.271m which is mainly due to the rise in fostering maintenance payments to in-house carers due to an increase in the number of children coming into care. In addition, there has been an increase in the number of Family and Friends carers. This is partly offset by the sale of adopters for (£0.189m) and this relates to 7 adoptions.

Significant revenue variances against revised budget at P9

3.3 Adult Social Care & Health is reporting an overspend of £0.010m compared to budget. The key variations include:

- An estimated underspend of (£0.284m) for Manor House based on current care needs.

- The Integrated Equipment Service is forecast to overspend by £0.193m. This is due to additional demand on the service.
- There is currently an underspend of (£0.191m) within Older People & Physical Disability Integrated Services. The main variations are in Physical Disabilities: External Support at Home which shows both a reduction in spend due to savings in placement costs (£0.364m) and a reduction in associated client contributions of £0.234m; Direct Payments for Physical Disability clients are forecast to be underspent by (£0.237m) due to contributions from Health; Residential & Nursing Care are forecast to be overspent by £0.230m due to additional placement costs.
- Older People Community Support Service area is forecasting an overspend of £0.339m. This represents additional cost of covering shifts with casual and relief staff to ensure safe service delivery and Additional Work Pattern payments.
- Mental Health services have placement overspends following the transfer of service delivery from Central and North West London Foundation Trust. This is currently forecast to be £0.415m.
- The Learning Disability service forecast outturn is a (£0.524m) underspend. There are staffing underspends of (£0.477m) and additional income from Continuing Health Care.
- Intermediate Care services are expected to underspend by (£0.161m) due to staffing vacancies and the availability of health initiatives' funding towards agency costs.
- The conclusion of an ordinary residency legal case has resulted in court costs and backdated and ongoing nursing home care fees for a client being incurred totalling £0.210m.

3.4 Children & Families are forecasting an overspend of £1.699m (£3.724m before the use of one-off reserves). The key variations including the position reported in paragraph 3.2 above are:

- Placements via external agencies is currently forecasting an overspend of £2.260m. This is due to a significant increase in the overall number of children in care (from 305 as at December 2014 to 349 as at November 2015) due to unavoidable child protection activity and an increase in unaccompanied asylum seeking children who consequently cannot all be placed in in-house local placements. There are currently (end of November) 23 unaccompanied asylum seeking children in external placements. The 19 most expensive placements (none are UASC) are forecast to cost £2.798m for the full year (there are 140 active placements overall). The forecast overspend will be partly offset by a drawdown from demand led reserve (£1.300m) but presents an ongoing pressure in future.

- There are a number of work streams underway to look at reducing the cost pressures including:
 - Increasing adolescent foster care provision
 - Looking at the range and availability of supported lodgings
 - Private sector move on tenancies to enable care leavers who are ready for independent living to move on from supported lodgings.
 - Developing intensive support for older adolescent Children in Care (CiC).
 - Oversee “step down” plans for a small target group of CiC.
 - Reviewing CiC placement commissioning arrangements.
 - Considering the future arrangements of CiC placement services.
- There is a forecast overspend on home to school travel of £1.145m. This is mainly due to an increase in the requirements of SEN eligible children. This pressure has been partially offset by a contribution from the Children’s Demand Led Reserve (£0.725m). A number of management actions are in place to look for ways to reduce costs in future. This includes reviewing the efficiency of routes, reviewing eligibility criteria as well as considering opportunities to reduce costs by promotion of mileage to parents as an alternative option to using contracted transport routes, offering ‘personal budgets’ or discounted bus passes to parents to accompany their children to school.
- There is a forecast overspend of £0.200m due to agency staff. Agency usage in this area relates to children’s social workers and due to the nature of the service, gaps in the establishment have to be filled at all times. The service has launched a refreshed recruitment campaign and have been able to recruit to some of the vacant posts – these appointments are being progressed.
- There is a forecast overspend in the Leaving Care budget of £0.189m. This is mainly due to care leavers who are ready to live independently but remain in expensive supported lodgings because they do not have tenancies to move on to due to a major shortage in local low cost housing hence they are now accessing the leaving care budget. These placements are more expensive than originally budgeted, as previously the leaving care budget would have been accessed by young people in lower cost in-house and block purchased placements.
- Special Education Needs (SEN) and Disability service area is forecast to overspend by £0.149m due to increasing numbers of cases as well as the complexity of children’s disabilities which means funding larger and more expensive packages of care.
- Capital and Infrastructure is forecast to underspend by (£0.133m), as a result of charging additional staff time to capital projects.
- There is a one off income of (£0.100m) health funding in Westminster House as a result of the extension to the placements for 2 young people that would have otherwise left the service.

- 3.5 Housing and Community are forecasting a net overspend of £0.844m against budget. This is mainly due to Housing Access where temporary accommodation costs are currently forecasting a pressure of £2.044m above budget which will be offset by the use of the Homelessness Demand Reserve (£1.133m) in year, leaving a deficit of £0.911m. This pressure is the result of a continuing increase in homeless acceptances and fewer void council properties into which homeless families can be rehoused. This additional forecast cost is the result of a continuing increase in homeless acceptances (517 in April-November 2015, compared to 455 in April-November 2014) and fewer void council properties into which homeless families can be rehoused (334 in April-November 2015, compared to 526 in April-November 2014).
- 3.6 The Community Facilities are forecasting an overspend of £0.155m against budget. This is mainly due to £0.119m overspend in Leisure and Community due to delays in awarding the Leisure Contract(s) and delays in transfers of facilities under the Community Asset Transfer Programme due to a number of reasons.
- 3.7 Resources are reporting an overspend of £0.292m against budget. This is due to:
- Customer Services – The central savings target of £0.4m relating to the Customer Service Programme is unlikely to be fully achieved this year. This is offset by one-off resources.
 - Property – the forecast assumes that £0.356m of the savings target for the SMART Property Project will not be achieved this year. Various savings across the service are partially mitigating this.
 - Legal – a forecast overspend of £0.150m is due to use of locums to cover vacant posts and payment of market supplements, which is unbudgeted. Further work on the forecast use of locums and the mix of posts in the establishment is underway.
- 3.8 Corporate Core is reporting an overspend of £0.196m against budget due to the Rugby World Cup. The funding of the costs of staging the Rugby World Cup events is based on both funding within the events reserve and income from the event in terms of ticket sales and parking. Sales achieved were lower than anticipated so it is estimated that the project will require additional funding not covered by reserves, of £0.200m.
- 3.9 Debt Financing is reporting an underspend of (£0.350m) due to savings in borrowing costs by utilising cash balances in lieu of new borrowing. There is also a reduction of £3.6m due to a change in Minimum Revenue Provision (MRP) calculation for the repayment of pre-April 2008 historic debt liability from 2% reducing balance to 4% straight-line basis, which was approved in October. This saving is all committed to fund one-off pressures in the 2016/17 draft Budget.

4. **Budget Savings**

- 4.1 The 2015/16 Council budget included (£21.186m) of savings and (£1.531m) savings brought forward from 2014/15, which were also to be delivered. To date 63% (£14.337m) of the savings have been achieved, and of the remaining savings, 26% (£5.904m) are currently forecast to be delivered. The remaining 11% (£2.476m) of savings will either be delayed until 2016/17 or mitigated within the service areas. This means only £0.8m of savings (less than 4%) are undeliverable.

Table 2: Budgeted savings

	Budgeted Savings in 2015/16 and residual 2014/15	Savings forecast to be delivered		Forecast to be delivered in 2016/17	Undeliverable Savings
		Green	Amber	Red	
	£m	£m	£m	£m	£m
Total	(22.717)	(18.697)	(1.544)	(1.712)	(0.764)

4.2 The following significant savings will be delayed or not delivered for the following reasons:

- Only £80k of the £480k Housing and Community saving target for the reduction in the use of temporary accommodation will be achieved in 2015/16. It was originally planned to change the allocations scheme in order to accommodate homeless families in council stock instead of temporary accommodation, but the change was called in and a Cabinet decision was made in September to cancel the proposal. As noted above, the level of demand for services has increased and supply of Council housing has fallen. Further actions are being undertaken and are expected to reduce costs; however the current and future projected demand cannot be offset in the short-term.
- Customer Service project savings £0.270m. Savings from the current end to end reviews are currently being quantified, but implementation time means the savings are more likely to be achieved in 2016/17.
- SMART property review savings £0.274m, savings will be delivered from the better management of properties and facilities and rationalising assets.
- Public Realm saving to deliver the reduction in junior concessionary fares concessions to 'half fare' £0.704m is forecast to be partially achieved in year £0.587m. The remaining saving £0.117m has not been fully realisable due to delayed implementation but will be achieved in 2016/17, where the full year effect of the reduced concessions will take effect.
- Public Realm saving from increased employee parking charges of £0.498m is unachievable in 2015/16 due to the delay in decreases to employee parking discounts. This will be mitigated from the use of one-off funding in 2015/16, as included in the 2015/16 Budget.

Impact on General Fund Balance

4.3 If the forecast outturn remains unchanged to the end of the financial year the General Fund balance will be:

Table 3: General Fund Balance 2015/16

	Forecast Outturn £m
General Fund balance at 1st April 2015	(8.886)
Contributions to 2015/16 Budget (approved as part of the budget setting process)	0.238
Forecast underspend in 2015/16	2.744
Drawdown from Risk Reserves (approved as part of 2015/16 budget setting process)	(1.100)
Estimated General Fund Balance at 31st March 2016	(7.004)

5. **Dedicated Schools Grant (DSG)**

5.1 The Dedicated Schools Grant is a ring-fenced grant paid to local authorities and largely delegated to schools through their individual school budgets. The Governing bodies of schools are responsible for their income and expenditure and Dedicated Schools Grant is therefore not available to support the Council's General Fund.

5.2 The Dedicated Schools Grant is reporting a forecast underspend of (£0.174m) against budget. This is an increase in underspend of (£0.030m) since period 8. The surplus will be carried forward to the next financial year.

5.1 Overall the underspend of (£0.174m) is due to a number of offsetting factors, the main ones being; a reduction in Independent School fees and Independent College places based on the number of filled places (£0.760m), additional growth fund payments due to additional places being agreed £0.419m, additional top up payments for high needs pupils £0.389m and £0.117m more DSG income than originally forecast.

6. **Housing Revenue Account (HRA)**

6.1 The HRA is reporting a (£0.352m) surplus. This includes £0.976m spend on block improvements and repairs works, offset by a contribution from the HRA Block Improvement/Regeneration reserves, and the Regeneration project costs of £0.340m, offset by a contribution from the Regeneration reserve. £0.168m of repairs reserves that are no longer required and have been released back into the HRA.

6.2 There has been a reduction in income of £0.119m largely due to an £0.198m reduction in garage income, since more garages have transferred to the General Fund than expected.

6.3 The main variations not funded by earmarked reserves are:

- (£0.139m) underspend on Repairs and Maintenance which is made up of:
 - £0.225m on the demobilisation of the partnering contract with the incumbent contractor due to dilapidations. There will also be an additional pressure of £0.200m in 2016/17. There is also a risk of additional costs relating to the fleet; the service has established that the worst case scenario will cost £0.156m but work is continuing with the contractor to reduce this.

- £0.197m legal costs (for both parties) on the disputed asbestos contract. In addition the disputant is likely to claim for damages but it is not possible to estimate a figure at this stage. A provision has been set aside for this from savings on the asbestos revenue works budget.
- (£0.505m) saving on External Decorations due to the deferral of the in-year programme as a result of the revised asset management strategy and the regeneration program, as well as the release of a reserve that is no longer required.
- It was estimated when the 2015/16 HRA budget was approved that overhead charges would reduce by £0.238m. However, the relative reductions in other service areas mean that the proportional charge to the HRA has not reduced as originally estimated. The HRA needs to accommodate the full amount. This is been achieved by reducing the contribution to reserves and the revenue contribution to capital.
- (£0.173m) increased interest receivable due to higher return on investment, higher Major Repairs Reserve and slower pace of Regeneration.
- (£0.235m) saving on Interest: (£0.107m) on prudential borrowing as this will now be covered by RTB receipts debt allowance element, and (£0.128m) from a combination of reduction in Consolidated Rate of Interest and use of RTB pooling debt allowance.
- The contribution to the provision for bad debts is lower than budgeted (£0.358m) as tenant debt levels continue to remain below budgeted levels as a result of focused work to improve income collection and the delay in rollout of Universal Credit, which is now expected to impact next year rather than this year.
- Additional rent income due to low void levels (£0.149m) (budget assumed 93, actual is running at 60 – however this also impacts on the General Fund need to accommodate people in temporary accommodation).
- £0.198m reduced income on garage rents reflecting the asset transfer move of properties to the General Fund. More garages were transferred than originally expected.

6.4 The HRA balance at December 2015 is £4.921m. This continues to be in line with the Prudent Minimum HRA level of £4.500m.

Table 4: HRA Outturn Summary

	2015/16 Budget £'m	Period 9 £'m	Variance £'m
Uncommitted reserve b/f	(4.569)	(4.569)	0.000
Net (surplus)/deficit in year	0.000	(0.352)	(0.352)
Uncommitted reserve c/f	(4.569)	(4.921)	(0.352)
Prudent Minimum HRA level			

7. Capital

7.1 This report monitors against Spend Approval of £138.660m. At the end of December the forecast outturn is £119.360m, an overall variation of (£19.300m) against the latest Spend Approval. This figure includes forecast re-phasing of £19.371m bringing the position to a net overspend of £0.071m.

7.2 Table 5: Summary of capital expenditure as at 31st December 2015

Directorate	Latest Spend Approval	Forecast Spend as at 31/12/15	Variation Over /(under) Spend Approval	Re-phasing	Net Overspend
	£m	£m	£m	£m	£m
People	69.514	66.482	(3.032)	2.220	(0.812)
Place	62.631	48.562	(14.069)	14.952	0.883
Resources	6.515	4.316	(2.199)	2.199	0.000
Total	138.660	119.360	(19.300)	19.371	0.071

7.3 The key overspend is within Place, where the A421 Pinch Point project is forecasting an overspend of £1.693m, this is the only project classed as red within the RAG rating below. A provision has been set aside to cover the forecast overspend, however so that the true overspend is visible, the funding will not be allocated to the project until the final costs are known. The A421 overspend, which equates to 10% of the total resource allocation for the scheme, is mainly due to two main issues; the urgency required to secure the Pinch Point funding and the drainage elements of the scheme. The drainage elements of the scheme were contracted on a contingency basis which once fully designed, utilised the entire contingency. Subsequent unexpected events, outside of MKC control, resulted in significant delays and consequentially additional costs for which no contingency was available.

7.4 A number of compensation events and early warning notices from the contractor have yet to be agreed, together with settlement of various final accounts with utilities. These claims may impact on the final cost of the scheme

7.5 The Transport Programme has been re-aligned to reduce Resource Allocation and create a provision for the potential overspend of this project. Other work is being investigated to establish if any of the additional costs of the scheme can be recovered from third parties.

7.6 Excluding the A421 Pinchpoint project, the overall position on Place is a net underspend of (£0.810m). The major variations are within the HRA capital programme with underspends for the Conversion of 66/70 High St, Three Garage sites and Windows Upgrades as detailed below.

7.7 In People the net underspend is (£0.812m), the major variations are underspends on Knowles Amalgamation, Brooklands Primary 2 and Oakgrove Secondary as detailed below.

7.8 The major forecast underspends are:

- **Knowles Amalgamation 1 Form of Entry**, (£0.237m), final phase of project completed, funding will be used for other education schemes.

- **Brooklands Farm Primary School 2**, (£0.213m), final phase of project, school now open, funding will be used for other education schemes.
- **Oakgrove 2 Forms of Entry**, (£0.119m), project completed, funding will be used for other education schemes.
- **Conversion of 66/70 High Street, Two Mile Ash**, (£0.201m), based on prices bid through tendering process, started on site September, to complete mid-January 2016.
- **Three Garage sites, West Bletchley**, (£0.138m), all three sites completed, funding will be retained within Housing.
- **Window Upgrades**, (£0.360m), majority of leaseholder work has now been agreed, the underspend is due to volume of work being lower than anticipated as a number of leaseholders have already replaced their windows. Also the costs of the work and associated costs of access equipment are lower than originally modelled.

7.9 Major Re-phasing items:

Re-phasing occurs twice during the year, June and September monitoring, the below subsequent re-phasing will be processed during year end closure of the accounts:

- **Kent's Hill Secondary and Special School**, (£0.931m), planning application has been submitted and decision expected February 2016 to enable works to start on site April 2016, delivery of project still planned for August 2017.
- **Investment in Parking**, (£9.000m), original multi storey car park not to be progressed, additional parking spaces have been created by reviewing the current parking scheme and alternative new off street provision will be explored further.
- **Future Working Programme**, (£1.779m), main contract has been awarded and work will commence in Civic building January 2016, this is slightly later than originally planned however December 2016 is still the planned completion date.
- **Investment in Temporary Accommodation**, (£4.500m), project to purchase houses will take approximately eighteen months to complete.

7.10 All schemes have been assessed by Project Managers with regard to their RAG Status in relation to the following key criteria, Time, Cost, Scope and Benefits:

RAG rating	Definition	No of Projects in Category
Green	All key criteria will be achieved. Risks are being actively managed	37
Green/ Amber	One of the key criteria cannot be delivered within tolerance; project risks are being managed.	14
Red/ Amber	Two or three of the key criteria cannot be delivered within tolerance. Risks need to be escalated	0
Red	All four key criteria cannot be delivered without further significant. Risks need to be escalated.	1

8. **MK Tariff Resource Allocation – 2015/16**

8.1 The Tariff investment programme for 2015/16 has spend approval of £25.200m with a forecast outturn of £25.014m. The schemes in this programme are largely contributions to wider schemes which are delivered by MKC and/or External partners.

9. **Section 106 (S106) Funding**

9.1 S106 funding is a key resource in supporting the Council to mitigate the impact of growth. The reductions in government funding mean the use of S106 funding must be managed carefully to address both local and strategic needs. Developer Contributions (S106) are included in the Capital Programme or to fund projects which meet the specification outlined in the S106 agreement.

9.2 The S106 funding received from Developers is often a contribution toward total project costs. As appropriate schemes are developed through the Capital Programme processes, these resources are used towards the delivery of the full project.

9.3 The development of the capital programme has incorporated consideration of S106 funding, so resources are used in the most effective manner to address necessary schemes. This process has also included reviewing unidentified funding to ensure that this is allocated to future projects. In some areas work is still ongoing to identify the individual scheme and future allocations will be updated as individual schemes are developed.

9.4 £28.4m of S106 funding has been allocated within the Capital Programme from 2015/16 to 2020/21. Of this funding, £14.9m has been received as cash whilst £13.5m is yet to be received from S106 agreements that are already signed and implemented. £10.1m has been taken in year to fund capital projects with further amounts due in year.

9.5 In addition to capital allocations there is approximately £4.46m of S106 allocated to revenue, this includes the following:

- £1.92m for Public Transport (bus services)
- £0.023m for Play Areas

- £0.034m for Waste Receptacles projects
- £2.25m for Open Space and Play Area Maintenance
- £0.023m for Public Art
- £0.140m for Playing Fields Maintenance

9.6 A further £8.29m has been earmarked to projects. These include projects that are being initiated but do not yet have capital approval, parish and town council projects and other revenue projects awaiting approval.

9.7 The remaining balance of £20.01m is broken down into approximately 200 individual S106 contributions, covering more than 350 individual projects.

Table 5: Summary of the S106 Available for Allocation

Service / Works	Amount	Notes
Carbon Offsetting	£1.05m	For carbon offsetting measures borough wide.
Education	£6.1m	For specific education projects, some which have been identified but not yet programmed.
Environmental Services	£2.25m	Majority for Open Spaces. Some for Play areas and specific maintenance projects.
Highways	£1.8m	Includes £0.31m for highway works at the Stadium and £0.664m for CMK and £0.392m for Oakgrove
Leisure	£2.89m	Includes £0.911m for 13 different community halls, contributions to playing fields, libraries, sports halls and swimming pools
Miscellaneous	£1.07m	Includes £0.251m for Bletchley which needs Development Control Committee (DCC) approval.
Public Art	£1m	Covers 17 Public Art projects across MK
Public Transport	£1.21m	Funding for bus infrastructure – projects to be identified.
Social Infrastructure	£2.64m	200 individual contributions making up this fund. A large proportion of this funding will go externally to services such as the NHS, College and University, Voluntary Sectors and Emergency Services.
Total	£20.01m	

9.8 It is anticipated that a significant amount of the above will be allocated or earmarked to projects (both revenue and capital) in the 2015/16 financial year.

10. Establishment Reporting

10.1 The total establishment at the end of December 2015 is 2,028.37 FTE, a decrease of 6.46 FTE since September 2015.

11. Treasury Management

11.1 The key Treasury Management headlines reported at P9 are as follows:

- Investment income returns were 0.75%, which outperformed the benchmark 3 month LIBID (a measure of inter-bank lending rates) by 21 basis points;
- No debt rescheduling was undertaken during the last quarter;
- No new borrowing for capital purposes was undertaken during the quarter;
- The Prudential Indicators all remain on track.

11.2 Further information on Treasury Management is attached as an **Annex**.

12. Debt Position

12.1 The table below provides details of the aged debt analysis for the Council, General Debtors (including Social Care debt) and Property as at 30th November 2015. (Housing Debts, Council Tax, Non Domestic Rates and Housing benefits are detailed in paragraphs 12.5-12.9 below).

12.2 Any debt which has payment plans or are being actioned in some way, either with the court/bailiffs or under further investigation have been removed from this table. These debts are reviewed regularly and will become part of the Council's total debt position if the recovery plan falls through.

	Total Debt £m	0-90 days overdue £m	91-365 days overdue £m	365+ days overdue £m
General Debtors	3.8	2.0	0.9	0.9

12.3 The total debt billed to date in 2015/16 is £40.3m.

12.4 The Council has adopted an Income and Collection policy which sets a framework for the consistent and sensitive approach to collecting debt whilst at the same time ensuring that income collection is maximised. To meet this objective the corporate debt recovery team has been put in place to centralise resources and maximise collection. The team's aim is to collect debt more promptly and thereby reduce the amount of 'old' debt that the Council carries.

12.5 Both Council Tax and NDR collection rates are closely monitored by service managers and performance against target is communicated to staff daily. There can be logical reasons for the variation to target i.e. the direct debit dates fall on a weekend or the reasons are intrinsically linked to initiatives that the service is undertaking for example trying to prevent business rates avoidance in the future. At present forecasts are close enough to target to suggest that the outturn will be on track overall, although NNDR figures can be impacted by large properties being added to the rating list late in the financial year. The table below provides details on the Council Tax and Non Domestic Rates debt for 2015/16 at 30 November 2015.

	Net collectible debit (In year) £m	Amount collected to date £m	Collection rate(to date) %	Collection target (to date) %
Council Tax	117.5	91.1	77.14%	76.54%
NDR	162.1	119.7	73.82%	74.30%
Total	279.6	210.8		

12.6 The Housing Revenue Account (HRA) total debt figure on the table below is for the total debt outstanding rather than the total debt raised in the year, unlike Council Tax and NDR in table above

12.7 On 1 October 2015 a number of assets were transferred from HRA to MKC (GF Housing and MKC commercial). These assets were made up of hostels, garages and some commercial properties and these transferred assets are now shown separately within the monthly figures.

	Total billed to date £m	Total Debt Outstanding £m	0-90 days overdue £m	91-180 days overdue £m	181+ days overdue £m
HRA Housing Debts (SX3)	40.17	3.88	1.27	0.86	1.74
GF/MKC debt	1.56	0.34	0.26	0.05	0.03

12.8 HRA debt levels overall continue to fall and have been driven by the restructured Housing Management teams and debt management processes. However, the introduction of the Universal Credit in Milton Keynes later this year creates a significant risk to collection rates and it is unlikely that performance levels will remain at this level, in the initial roll out phases of the changes.

12.9 Housing Benefit overpayments collection is intrinsically linked to DWP guidelines and their recovery rates are set. MKSP staff are working to minimise overpayments. The table below provides details on the Housing Benefits Overpayments for the prior and current year.

	Total paid out to date £m	Current year Debt £m	Total Debt £m
Housing Benefits	68.3	1.86	4.78

13.

14. Debt Write offs

The total amount of debt written off to 30 November 2015:

Total debt written off 2014/15	Debt type	Debt Raised	Total debt written off 2015/16
£'m		£'m	£'m
0.334	HRA Housing Debt	40.172	0.222
	GF/MKC Debts	1.560	0.002
0.321	Housing Benefits	1.865	0.180
0.433	Council Tax	117.545	0.229
0.907	Non Domestic Rates	162.126	0.791
0.184	General Debtors	40.321	0.345
2.179	Total	512.198	1.769

14.1 The write offs above have already been actioned in line with the Financial Scheme of Delegation. However, there are three write offs over £0.020m, which are being reported to Cabinet for information. All of these are companies which are in liquidation so there is no option but to write off the debt, in accordance with approved Financial Regulations. The debts are as follows:

- Business rates relating to Jesus Celebration Centre of Worship Ltd £0.086m – The rates were for the period from 23rd May 2012 to 7 July 2015. The company went into liquidation 8th July 2015.
- Business rates relating to Exeat T Ltd £0.073m – The debt rose over 7th July 2014 to 30th November 2014. The company went into liquidation on 6th August 2015 when it was deemed that the debt was unrecoverable and written off.
- Business rates relating to Northern Quest Data Ltd £0.82m - The rates were for the period from 22nd July 2013 to 19th March 2014 and cover three properties held by Northern Quest Ltd. The company went into liquidation 24th March 2015.

There is also a write off over £20,000 requiring Cabinet approval. The debt is for £0.135m and relates to the Council's costs of decontaminating a piece of land in North Crawley in 2002. Under the statutory process by which the decontamination took place, (s.80 of EPA 1990) the costs were meant to have been secured by a charge on the land but the Council's ability to put the charge in place and/or enforce payment of the costs is hampered: in law, by a longstanding and as yet unresolved appeal against the notice which originally sought to impose the charge.

The legal department is seeking to dispose of this appeal, but even if that concludes in the Council's favour, there are practical issues (see below):

- The small value of the land relative to the amount of costs that the Council is seeking to recover. Attempts by the landowner to increase its value through a change of planning use have not succeeded. Alternatively, attempts to negotiate a transfer of the land to the Council by way of settlement of the debt have not succeeded.

15. Milton Keynes Service Partnership (MKSP)

15.1 The table below shows the financial position for the Milton Keynes Service Partnership as at the end of November 2015.

	Revised Budget	Forecast Outturn	Projected Variation
	£'m	£'m	£'m
Total Income	(25.554)	(26.692)	(1.138)
Total Expenditure	25.554	26.556	1.003
Net Expenditure	0.000	(0.136)	(0.136)
Transfer to/(from) Reserves	0.000	0.136	0.136
Total	0.000	0.000	0.000

15.2 Milton Keynes Service Partnership is reporting a net underspend of (0.136m), this is after the use of one-off reserves of (£0.796m). This forecast includes meeting redundancy and one-off project support costs, including the review of the partnership.

16. Milton Keynes Development Partnership (MKDP)

16.1 The table below shows the Milton Keynes Development Partnership financial position as at the end of November 2015.

	Budget	Forecast Outturn	Projected Variation
	£'m	£'m	£'m
Management Overheads	0.924	0.988	(0.064)
Asset Management Costs	(1.074)	(1.133)	(0.059)
Car parking	(0.311)	(0.367)	(0.056)
Contributions to MKC	0.205	0.205	0.000
Net position for MKDP	(0.256)	(0.306)	(0.050)
Transfer to/(from) Reserves	0.256	0.306	0.050
Total	0.000	0.000	0.000

16.2 The variance is due to lower than expected site preparation costs and development brief costs (£0.050m).

17. **Annex to this Report**

ANNEX	Treasury Management report at December
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18. **Implications**

18.1 Policy

The recommendations of this report are consistent with the Council's Medium Term Financial Plan.

18.2 Resources and Risk

Where significant risks are known they are highlighted in this report.

Capital implications are fully considered throughout the report. Revenue implications as a result of capital schemes are built into the Council's debt financing and other revenue budgets as appropriate through the Medium Term Planning process.

Y	Capital	Y	Revenue	N	Accommodation
N	IT	Y	Medium Term Plan	Y	Asset Management

18.3 Carbon and Energy Management

All capital schemes consider Carbon and Energy Management implications at the capital appraisal stage before they are added to the capital programme. There are no further implications as a result of this report.

18.4 Legal

Legal implications may arise in relation to specific capital schemes or revenue projects. In particular a capital scheme or revenue project may be needed to meet a specific legal requirement. These implications are addressed in the individual project appraisals. There are no significant legal implications arising as a result of this report.

18.5 Other implications

All implications are outlined within the report.

Y	Equalities/Diversity	Y	Sustainability	N	Human Rights
N	E-Government	N	Stakeholders	N	Crime and Disorder
N	Carbon and Energy Management				

Background Papers: 2015/16 Revenue Budget and Capital Programme as approved by Council in February 2015

TREASURY MANAGEMENT UPDATE

QUARTER 3 (OCTOBER-DECEMBER), 2015-16

Purpose:

The Chartered Institute of Public Finance and Accountancy (CIPFA) issued the revised Code of Practice for Treasury Management in November 2009; it recommends that members should be updated on treasury management activities at least twice a year, but preferably quarterly. This report therefore ensures this council is implementing best practice in accordance with the Code.

Economic climate:

In summary, the fourth quarter of 2015 (calendar year) saw:

- UK economic growth softened but remained reasonably robust;
- Global GDP concerns remain prevalent;
- Inflation pressure remains low;
- Labour market showed continued wages growth;
- The MPC maintained the stance of monetary policy.

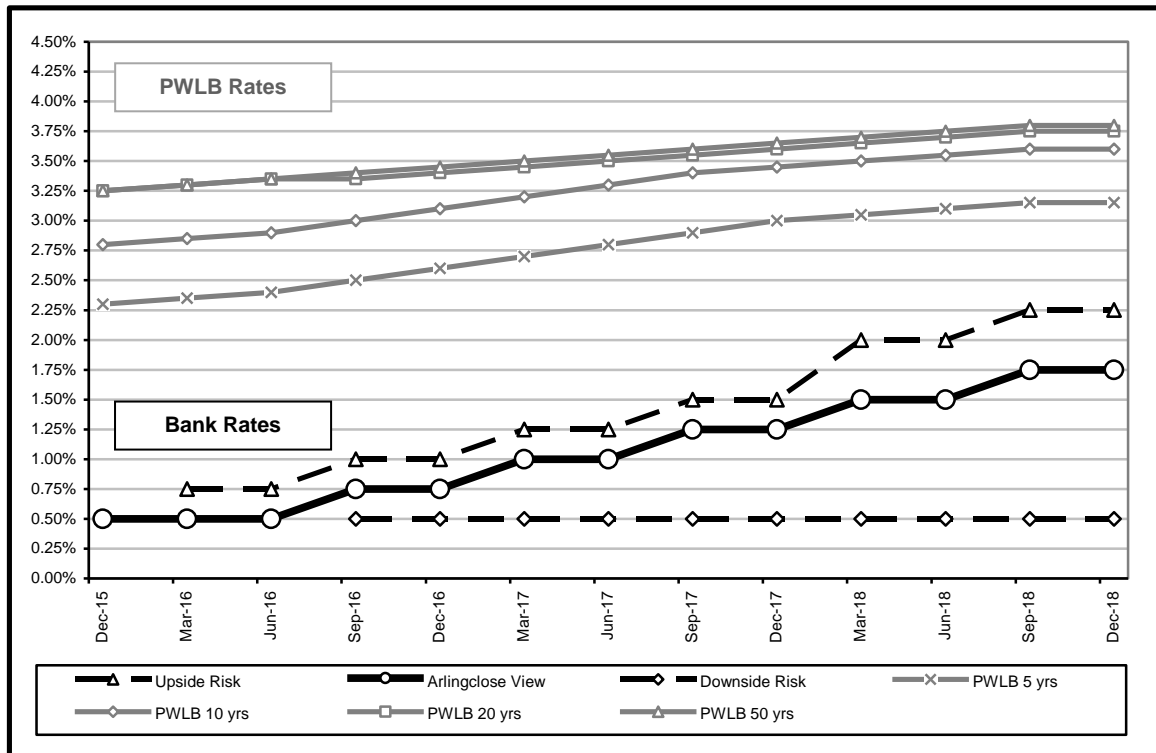
Interest rate forecast:

The latest forecast for interest rates of treasury advisors Arlingclose over the next three years is set out below, along with a sensitivity analysis of potential upside and downside risk to official bank rate.

Table 1: Interest Rate Forecast

	Dec 2015	Mar 2016	Jun 2016	Sept 2016	Dec 2016	Mar 2017	Jun 2017	Sept 2017	Dec 2017	Mar 2018	Jun 2018	Sept 2018	Dec 2018
Official Bank Rate													
Upside Risk		0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.50%	0.50%
Arlingclose View	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%	1.75%	1.75%
Downside Risk				(0.25%)	(0.25%)	(0.50%)	(0.50%)	(0.75%)	(0.75%)	(1.00%)	(1.00%)	(1.25%)	(1.25%)
Public Works Loans Board Implied Rates (Certainty Rate discount applied)													
5 years	2.30%	2.35%	2.40%	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%	3.05%	3.10%	3.15%	3.15%
10 years	2.80%	2.85%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.45%	3.50%	3.55%	3.60%	3.60%
20 years	3.25%	3.30%	3.35%	3.35%	3.40%	3.45%	3.50%	3.55%	3.60%	3.65%	3.70%	3.75%	3.75%
50 years	3.25%	3.30%	3.35%	3.40%	3.45%	3.50%	3.55%	3.60%	3.65%	3.70%	3.75%	3.80%	3.80%

Chart 1: Interest Rate Forecast



There are many risks to the forecast set out above, principally around the timing and pace of rate rises, and a full listing of underlying assumptions is attached at Appendix A. Budget estimates prudently include sensitivity analysis of the impact that a delayed economic recovery would have on the Council.

Annual Investment Strategy

The Treasury Management Strategy Statement (TMSS) for 2015/16, which includes the Annual Investment Strategy, was approved by the Council on 18th February 2015. It sets out the Council’s investment priorities as being:

1. **Security of Capital;**
2. **Liquidity; and**
3. **Yield**

The Council will also aim to achieve the optimum return (yield) on investments commensurate with proper levels of security and liquidity.

The table below summarises the forecast investment maturity position at 31st December 2015.

Table 2: Forecast Investment Maturity Position at 31st December 2015

Period	Product type / Maturity	Amount	
		£	%
Instant Access	Banks	£7,009,112	2.4
	Money Market Funds	£63,200,000	22.0
		£70,209,112	24.4
Fixed Term – Building Societies	0-3 months to maturity	£1,000,000	0.4
Fixed Term - Local Authorities	3-6 months to maturity	£20,000,000	7.0
	9-12 months to maturity	£22,000,000	7.7
	>12 months to maturity	£20,500,000	7.1
		£62,500,000	21.8
Certificates of Deposit – Banks	0-3 months to maturity	£17,800,000	6.2
	3-6 months to maturity	£74,000,000	25.8
	6-9 months to maturity	£36,200,000	12.6
		£128,000,000	44.6
Floating Rate Bonds – Banks	3-6 months to maturity	£5,048,156	1.7
Covered Bonds – Fixed Rate	2-3 years to maturity	£5,532,918	1.9
Covered Bonds – Floating Rate	2-3 years to maturity	£5,002,788	1.7
Pooled Funds – Property	4-5 years to maturity*	£10,041,068**	3.5
Total Investment Portfolio		£287,334,042	100.0

* In order to recoup initial BID/OFFER pricing spread. Monthly valuation dates for purchase/sale of units - redemptions may be delayed should the fund be required to raise cash meet this commitment.

** Forecast book value of investment

Investment rates available in the market continue to be low. Investment balances at the 31st December 2015 are forecast to be £287.334m. Due to the front-loaded nature of various Government funding streams the average level of funds available for investment purposes during this quarter is forecast to be £298.1m (£295.3m year-to-date).

Balances are forecast to fall to circa £250m by 31st March 2016 as internal resources are applied to fund capital expenditure demands in lieu of further borrowing, effectively reducing the cost of carrying debt at higher cost than income generated through investment of balances.

Table 3: Forecast Benchmark Performance – Q3

Benchmark	Benchmark Return	Council Performance
3 month LIBID	0.54%	0.75%

As illustrated, the authority is forecast to outperform against the benchmark by 21 basis points. Latest projections for the financial year are reported through the Budget Monitoring process.

New Borrowing

No new borrowing for capital purposes was undertaken during the quarter.

Below is a table setting out the profile of forecast existing borrowing as at 31st December 2015.

Table 4: Forecast Borrowing Profile as at 31st December 2015

	Borrowing	
	£m	%
Under 12 months	9.428	1.90
1-2 years	2.520	0.51
2-5 years	35.671	7.19
5-10 years	56.288	11.34
Over 10 years	392.274	79.06
	496.181	100.00

Debt Restructuring

Debt rescheduling opportunities have been limited due to the current economic climate and consequent structure of interest rates following increases in PWLB new borrowing rates in October 2010. Officers continue to monitor the position regularly.

No debt rescheduling was undertaken during the quarter.

Compliance with Treasury and Prudential Limits

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. The Council's approved Treasury and Prudential Indicators (affordability limits) were approved alongside the TMSS on 18th February 2015.

During the financial year to date the Council has operated within the treasury limits and Prudential Indicators set out in the Council's Treasury Management Strategy Statement.

The Prudential and Treasury Indicators are shown in Appendix B.

Interest Rate Forecast Commentary; Arlingclose**Underlying assumptions to interest rate forecast**

- The UK economic recovery softened in Q3 2015 but remained reasonably robust; the first estimate for the quarter was 0.5% and year-on-year growth fell slightly to 2.3%. Negative construction output growth offset fairly strong services output, however survey estimates suggest upward revisions to construction may be in the pipeline.
- Household spending has been the main driver of GDP growth through 2014 and 2015 and remains key to growth prospects. Consumption will continue to be supported by real wage and disposable income growth.
- Annual average earnings growth was 3.0% (including bonuses) in the three months to August. Given low inflation, real earnings and income growth continue to run at relatively strong levels and could feed directly into unit labour costs and households' disposable income. Improving productivity growth should support pay growth in the medium term. The development of wage growth is one of the factors being closely monitored by the MPC.
- Business investment indicators continue to signal strong growth. However the outlook for business investment may be tempered by the looming EU referendum, increasing uncertainties surrounding global growth and recent financial market shocks.
- Inflation is currently very low and, with a further fall in commodity prices, will likely remain so over the next twelve months. The CPI rate is likely to rise towards the end of 2016.
- China's growth has slowed and its economy is performing below expectations, which in turn with dampen activity in countries with which it has close economic ties; its slowdown and emerging markets weakness will reduce demand for commodities. Other possible currency interventions following China's recent devaluation will keep sterling strong against many global currencies and depress imported inflation.
- Strong US labour market data and other economic indicators suggest recent global turbulence has not knocked the American recovery off course. Although the timing of the first rate rise in official interest rates remains uncertain, a rate rise by the Federal Reserve seems significantly likely in December given recent data and rhetoric by committee members.
- Longer term rates will be tempered by international uncertainties and weaker global inflation pressures.

Treasury and Prudential Indicators as at 31st December 2015

Prudential Indicator	2015/16 Indicator	Quarter 3 – Forecast
Authorised limit for external debt	----- £591.000m -----	-----
Operational boundary for external debt	----- £571.000m -----	-----
Gross borrowing	£524.146m	£496.181m
Investments (quarter average)	£250.000m	£287.334m
Net borrowing	£274.146m	£208.847m
Capital Financing Requirement (CFR)	£541.727	£558.775m
Ratio of financing costs to net revenue streams: GF	11.17%	9.25%
HRA	41.14%	41.14%
Incremental impact of capital investment decisions:-		
a) Increase in council tax (band D) per annum.	(£0.01p)	£0.95p
b) Increase in average housing rent per week	£0.00p	£0.00p
Limit of fixed interest rates based on net debt (average)	£561.000m	£285.149m
Limit of variable interest rates based on net debt (average)	£30.000m	-£76.302m
Principal sums invested > 364 days	£200.000m	£41.077m
Maturity structure of borrowing limits:-		
Under 12 months	Max. 15% Min. 0%	1.90%
12 months to 2 years	Max. 15% Min. 0%	0.51%
2 years to 5 years	Max. 50% Min. 0%	7.19%
5 years to 10 years	Max. 50% Min. 0%	11.34%
10 years and above	Max. 100% Min. 50%	79.06%

Wards Affected:

All Wards

ITEM 17**CABINET****11 JANUARY 2016****REVISIONS TO CAPITAL PROGRAMME AND SPEND APPROVALS REPORT**

Responsible Cabinet Member: Councillor Middleton, Cabinet member for Resources and Commercialism

Authors: Tim Hannam, Corporate Director – Resources
Tel: 01908 252756
Nicole Jones, Service Director, Finance and Resources Tel: 01908 252079

Executive Summary:

Before spending on any scheme can begin within the Capital Programme, project documentation has to be updated and appraised through a formal review process to ensure projects will deliver required outcomes, are fully funded and provide value for money. This review point is the spend approval stage, where following officer scrutiny, Cabinet approval is requested to allow spending against allocated resources for individual projects.

The report requests spend approval for schemes in the 2015/16 Capital Programme and makes amendments to existing schemes within the Capital Programme. The proposed changes are summarised in Tables 1 and 2 of **Annex A**.

Once spend approval has been agreed any changes to either the funding or spending of resources need to be reported to Cabinet for approval.

The changes outlined in this report result in a revised Capital Programme for 2015/16 of £151.29m. Against this programme, £138.66m of spend approval has been given to enable individual projects to commence or continue.

The Council is responsible for the management of the Milton Keynes Tariff, which is a unique forward funding mechanism to deliver infrastructure in the expansion areas. This report leaves the Tariff Programme for 2015/16 at £40.23m with the total spend approval for these contributions at £25.73m.

1. Recommendation(s)

- 1.1 That the additions to resource allocation and spend approvals for the 2015/16 Capital Programme be approved.
- 1.2 That the amended resource allocation and spend approvals for the 2015/16 Capital Programme be approved.
- 1.3 That the funding position for the 2015/16 Capital Programme be noted.
- 1.4 That the amended resource allocation and spend approvals for the 2015/16 Tariff Programme be approved.
- 1.5 That the current position of the 2015/16 Tariff Programme be noted.

2. Amendments to the 2015/16 Capital Programme

2.1 There are a number of schemes that were not included in the original 2015/16 Capital Programme but have now completed the officer review process for resource allocation and spend approval. Cabinet approval for resource allocation and spend approval is now sought so that the new capital projects (summarised in **Annex B**) are included in the 2015/16 Capital Programme.

2.2 The new schemes submitted for inclusion in the 2015/16 Capital Programme in **Annex B** are:

- **Haversham Junior Expansion** (resource allocation and spend approval of £0.02m in 2015/16 and resource allocation of £0.02m in 2016/17, £1.19m in 2017/18 and £0.76m in 2018/19) – to expand Haversham Junior School to provide additional school places. The 2015/16 spend approval request is to complete the required feasibility study. This project is funded from the Basic Need Single Capital Pot Grant.
- **St Mary & St Giles CE Junior School** (resource allocation and spend approval of £0.02m in 2015/16 and resource allocation of £0.04m in 2016/17, £1.7m in 2017/18 and £0.4m in 2018/19) – to expand St Mary & St Giles CE Junior School to provide additional school places. The 2015/16 spend approval request is to complete the required feasibility study. This project is funded from the Basic Need Single Capital Pot Grant.
- **Orchard Academy** (resource allocation and spend approval of £0.02m in 2015/16 and resource of £0.04m in 2016/17, £1.92m in 2017/18 and £1.22m in 2018/19) – to expand Orchard Academy to provide additional school places. The 2015/16 spend approval request is to complete the required feasibility study. This project is funded from the Basic Need Single Capital Pot Grant.
- **Aylesbury Street, Fenny Stratford** (resource allocation and spend approval of £0.07m in 2015/16 and resource allocation of £0.08m in 2016/17) – to design and construct a new road layout which incorporate additional car parking bays. This project is funded from a Single Capital Pot Grant, Third Party and Revenue contribution.
- **Olney Open Space Improvements – East Street Play Area** (resource allocation and spend approval of £0.04m in 2015/16) – to upgrade this existing play area by installing new equipment and safer surfacing. This project is funded from a S106 Contribution
- **Westcroft Pavilion Reconfiguration** (resource allocation and spend approval of £0.01m in 2015/16 and £0.14m in 2016/17) – to extend and reconfigure Westcroft Pavilion to enable wider use by the community. This project is funded from a S106 Contribution.

2.3 Approval is sought to amend the resource allocation and spend approval for existing projects which have previously been allocated resources within the 2015/16 Capital Programme and to approve spending on these projects. These changes are summarised in **Annex B**.

- Additional resource allocation and spend approval request, **Fairfield Primary** of £0.54m in 2015/16 – the project is progressing more quickly than originally planned, which means funding needs to be brought forward

from 2016/17, although the overall project resource allocation has not changed. This increase is to be funded from a Basic Need Single Capital Pot Grant.

- Additional resource allocation and spend approval request, **Walton High at Brooklands** of £0.43m in 2015/16 – the project is progressing more quickly than originally planned, which means funding needs to be brought forward from 2016/17, although the overall project resource allocation has not changed. This increase is to be funded from a Basic Need Single Capital Pot Grant.
- Additional resource allocation and spend approval request, **Rural and Urban Bus Stops** of £0.15m in 2015/16 – for the completion of bus stop upgrades in Westcroft and Kingston. This increase is to be funded from a S106 Contribution.

2.4 A summary of proposed revisions to the Capital Programme for 2015/16 is shown in **Annex A**, Table 1. These revisions are set out in detail in **Annex B**.

2.5 Project managers have a monthly opportunity to satisfy the Capital Programme Review Panel (Corporate Director Resources, colleagues from Finance and the Portfolio Office, and a representative of the Corporate Leadership Team) that the project is well controlled and managed, and that funding is confirmed as available. While some projects have been through this process and been allocated spend approval, there are a number of schemes where spend approval has not been requested or where the Capital Programme Review Panel has requested further work / assurance before the scheme can be brought to Councillors.

2.6 The revised 2015/16 Capital Programme resource allocation and spend approval, including schemes still to be given spend approval is available on the Council website at <http://www.milton-keynes.gov.uk/finance>.

2.7 Table 2 in **Annex A** shows the financing position for the 2015/16 Capital Programme.

3. **Spend Approvals Across Multiple Years**

3.1 Some major capital schemes require spend approval for more than the current financial year. In approving spend approval for the project resources are effectively being committed for the future. This is usually for major schemes which could not be completed in a single financial year, or where the most effective timing of a project crosses financial years e.g. opening a school in September.

3.2 There are currently sixty projects with spend approval phased across multiple years. These projects are fully funded with all of their funding having been confirmed as available within 2015/16. These projects along with the phasing of the spend approvals are detailed in **Annex A**, Table 3.

4. **Approval of the Tariff Allocations**

4.1 The February report to Full Council outlined the resource allocation for the 2015/16 Tariff schemes.

4.2 The new scheme submitted for inclusion in the 2015/16 Tariff Programme, as set out in **Annex B** is:

- **H9 Groveway Redway** (resource allocation and spend approval of £0.05m in 2015/16) for the construction of the new H9 Redway.

4.3 Approval is sought to amend the spend approval for an existing project which has previously been allocated resources within the 2015/16 Tariff Programme, as set out in **Annex B** is:

- Spend approval of £0.48m for **Other City Streets** is requested in 2015/16 to commence work on the Fairfield/Area 11 City Street.

5. **Annexes to this Report**

ANNEX A	Summary of changes to the Capital Programme and Financing
ANNEX B	Detailed list of changes to the 2015/16 Capital Programme and the 2015/16 Tariff Programme

6. **Implications**

6.1 Policy

The recommendations of this report are consistent with the Council’s Medium Term Financial Plan.

6.2 Resources and Risk

Capital implications are fully considered throughout the report. Revenue implications may arise from capital schemes in respect of:

- Borrowing to fund capital expenditure (principal and interest),
- Running costs associated with capital schemes, and
- Efficiency savings (e.g. reduced maintenance costs).

These are built into the Council’s debt financing and other revenue budgets as appropriate through the Medium Term Planning process.

Y	Capital	Y	Revenue	N	Accommodation
N	IT	Y	Medium Term Plan	N	Asset Management

6.3 Carbon and Energy Management

All capital schemes consider Carbon and Energy Management implications at the capital appraisal stage before they are added to the capital programme. There are no further implications as a result of this report.

6.4 Legal

Legal implications may arise in relation to specific capital schemes. In particular a capital scheme may be needed to meet a specific legal requirement. These implications are addressed in the individual project appraisals.

There are no significant legal implications arising as a result of this report.

6.5 Other Implications

There are no other implications arising as a result of this report.

N	Equalities / Diversity	Y	Sustainability	N	Human Rights
N	E-Government	N	Stakeholders	N	Crime and Disorder
N	Carbon and Energy Policy				

Background Papers: Officer Working Papers, report to all Members
Previous reports to both Cabinet and Council as mentioned within the body of the report

Annexes: As listed at paragraph 5.

SUMMARY OF CHANGES TO THE CAPITAL PROGRAMME AND FINANCING

Table 1: Summary of Proposed Revisions to Capital Programme for 2015/16

Directorate	Resource Allocation £m	Spend Approval £m	Spend Approval not yet Requested £m
2015/16 Capital Programme as agreed 14th December 2015 Cabinet	149.881	(136.998)	12.883
New Project	0.135	(0.135)	0.000
Amendments to Existing Project	1.275	(1.527)	(0.252)
Revised Capital Programme after Adjustments	151.291	(138.660)	12.631

The detailed list of the proposed revisions to Capital Programme for 2015/16 summarised in **Table 1** above are identified in **Annex B**.

Table 2: Financing of the 2015/16 Capital Programme

Funding Type	2015/16 Capital Programme £m
Capital Reserve	0.281
Capital Receipts	2.638
Major Repairs Reserve	6.437
Single Capital Pot - Grants	55.572
Prudential Borrowing	23.030
Government Grants	9.413
S.106 - Planning Gain / Tariff	34.881
Other Third Party Contributions	1.697
Parking Income	0.093
Other Revenue Contributions	7.690
New Homes Bonus	9.459
Total	151.291

Table 3: Spend Approvals – Across Multiple Years

Scheme	Total Resource Allocation	Spend Approval				
		Prior Year £m	2015/16 £m	2016/17 £m	2017/18 Onwards £m	Total £m
Telecare	0.170	0.045	0.007	0.023	0.000	0.075
Abbeys Fire Alarm and Emergency Lighting	0.167	0.000	0.004	0.163	0.000	0.167
Castlethorpe Fire Alarm&Emergency Light	0.038	0.000	0.001	0.037	0.000	0.038
Cold Harbour Fire Alarm&Emergency Light	0.132	0.000	0.004	0.128	0.000	0.132
Radcliffe School Block 1 Heating	0.737	0.026	0.461	0.250	0.000	0.737
Heelands Heating Upgrade	0.292	0.000	0.008	0.284	0.000	0.292
Wyvern Block 4 Heating Upgrade	0.198	0.000	0.006	0.192	0.000	0.198
Tickford Park Block 2 Heating Upgrade	0.240	0.000	0.006	0.234	0.000	0.240
Brookward Block 1 Heating Upgrade	0.236	0.000	0.006	0.230	0.000	0.236
Russell Street Block 1 Heating Upgrade	0.276	0.000	0.008	0.268	0.000	0.276
Long Meadow Flooring Upgrade	0.100	0.000	0.003	0.097	0.000	0.100
Haversham Infant School New Car Park	0.074	0.000	0.070	0.004	0.000	0.074
Cedars Block 1 Masonry Works	0.031	0.000	0.001	0.030	0.000	0.031
Southwood Flat Roof&Patent Glazing Upgrd	0.234	0.000	0.006	0.228	0.000	0.234
Willen Roof Lights Upgrade	0.034	0.000	0.001	0.033	0.000	0.034
Holmwood Nursery	0.605	0.010	0.463	0.132	0.000	0.605
Oldbrook 1st Sch-Nursery Class provision	0.600	0.000	0.169	0.431	0.000	0.600
Proposed Middleton Primary School 1FOE	4.830	4.775	0.051	0.004	0.000	4.830
Jubilee Wood Primary School Extension	7.392	0.088	4.987	2.317	0.000	7.392
Bushfield Junior Expansion	2.810	0.042	1.871	0.897	0.000	2.810

Scheme	Total Resource Allocation	Spend Approval				Total £m
		Prior Year £m	2015/16 £m	2016/17 £m	2017/18 Onwards £m	
Whitehouse Primary School	8.683	0.342	4.890	3.451	0.000	8.683
Oakgrove Primary	8.317	0.102	4.488	3.727	0.000	8.317
Newton Leys Primary	8.719	0.178	5.290	3.251	0.000	8.719
South W. MK Additional Primary Provision	8.346	0.168	0.221	7.957	0.000	8.346
Fairfield Primary	8.368	0.217	5.299	2.852	0.000	8.368
Eagle Farm Primary School	8.865	0.000	0.300	5.729	2.836	8.865
New Kents Hill Primary School	7.681	0.000	0.500	5.681	1.500	7.681
Walton High at Brooklands Ph1	26.369	1.581	17.274	7.514	0.000	26.369
Kents Hill Secondary & Special Sch	25.141	0.000	2.500	14.000	8.641	25.141
Bathrooms	3.993	0.000	0.100	0.861	0.000	0.961
Electrics	11.451	0.000	0.100	0.798	0.000	0.898
Kitchens	3.369	0.000	0.100	0.561	0.000	0.661
Clifton Court Biomass	0.575	0.000	0.025	0.550	0.000	0.575
Carpenter Court Fire Safety Upgrades	0.067	0.000	0.000	0.067	0.000	0.067
Bellfounder House Ceiling Upgrades	0.060	0.000	0.000	0.060	0.000	0.060
Management Fee	0.033	0.006	0.000	0.027	0.000	0.033
New Council Housing - 4 Garage Sites	3.000	0.000	0.700	2.300	0.000	3.000
Development Control Improvement	0.081	0.061	0.000	0.020	0.000	0.081
Milton Keynes Local Broadband Plan	2.400	0.000	2.003	0.397	0.000	2.400
Westcroft Pavilion Reconfiguration	0.146	0.000	0.010	0.136	0.000	0.146
Shenley Leisure Centre - New Sports Hall	0.558	0.000	0.058	0.500	0.000	0.558
Bradwell Abbey Improvements Programme	0.758	0.286	0.389	0.050	0.033	0.758
New MK Museum	6.825	0.000	0.300	5.251	1.274	6.825
Water Eaton Bridge Upgrading and Strengt	0.090	0.000	0.010	0.080	0.000	0.090

Scheme	Total Resource Allocation	Spend Approval				Total £m
		Prior Year £m	2015/16 £m	2016/17 £m	2017/18 Onwards £m	
New Bradwell Bridge Upgrading and Streng	0.065	0.000	0.010	0.055	0.000	0.065
Swan River Bridge Upgrading and Strength	0.065	0.000	0.010	0.055	0.000	0.065
Hardmead Bridge Upgrading and Strengthen	0.060	0.000	0.010	0.050	0.000	0.060
Coldharbour Farm Bridge Upgrading and St	0.070	0.000	0.010	0.060	0.000	0.070
C54 Tyringham Bridge Masonry Refurb	0.162	0.010	0.010	0.142	0.000	0.162
Structural Improvements to structures	1.020	0.000	0.355	0.100	0.000	0.455
H3 Canal Bridge, Bolbeck Park Strengthen	0.480	0.000	0.000	0.020	0.000	0.020
Linford Station Railway, Gt Linford Upgd	0.300	0.000	0.025	0.025	0.000	0.050
H8 Railway Bridge Protection	0.185	0.000	0.000	0.020	0.000	0.020
Infrastructure Investment - Transport	37.313	12.609	5.214	0.250	0.000	18.073
Market Square	0.010	0.000	0.000	0.010	0.000	0.010
Rvrsde/Ousebk, hght rstrictn works	0.025	0.000	0.010	0.015	0.000	0.025
Investment in Parking	11.988	0.000	9.000	2.988	0.000	11.988
Provision of Additnl Cemetery Facilities	0.130	0.000	0.030	0.070	0.030	0.130
Future Work Programme	6.474	0.158	4.216	2.100	0.000	6.474
ICT Asset Funding Programme	0.809	0.378	0.062	0.073	0.000	0.513
Total Multiple Years Spend Approval	222.247	21.082	71.652	77.835	14.314	184.883

Detailed list of changes to the 2015/16 Capital Programme

Scheme	Resource Allocation 2015/16 £	Spend Approval 2015/16 £	Spend Approval not Requested 2015/16 £
2015/16 Capital Programme as agreed at the 14th December Cabinet	149,881,461	136,998,508	12,882,953
Amendments to Resource Allocation and Spend Approval for New Projects			
Childrens & Families			
Haversham Junior Expansion	20,000	20,000	0
St Mary & St Giles CE Junior School	20,000	20,000	0
Orchard Academy	20,000	20,000	0
Public Realm			
Aylesbury St, Fenny Stratford	65,267	65,267	0
Olney Open Space Improvements - East St Play Area	35,675	35,675	0
Community Facilities			
Westcroft Pavilion Reconfiguration	10,000	10,000	0
Total Amendments to Resource Allocation and Spend Approval for New Projects	170,942	170,942	0
Amendments to Resource Allocation and Spend Approval for Existing Projects			
Childrens & Families			
Olney Middle Fire Alarm & Emerg Lighting	(11,000)	(11,000)	0
Capital Maintenance Programme	11,000	0	11,000
Fairfield Primary	539,000	539,000	0
Walton High at Brooklands	430,289	430,289	0
Housing & Community - Housing			
MC2 Balcony Refurbishment	101,691	101,691	0
Contingency	(101,691)	0	(101,691)
Planning			
Smarter Choices - CMK Wayfinding	23,000	23,000	0
H9 Groveway Redway Extension	50,000	50,000	0
Public Realm			
Bus Service Information	20,871	20,871	0
Rural and Urban Bus Stops	150,838	150,838	0
St Monicas School Bus Lay By Changes	(10,200)	(10,200)	0
V3 Jnc Dulverton Dr/Hawkshead Dr	35,576	35,576	0
Wyvern (Wolverton)	(2,950)	(2,950)	0
Ousedale (NP)	(5,257)	(5,257)	0
Responsive Accidents Schemes	16,410	16,410	0
Giles Brook	(2,119)	(2,119)	0
Leon School	(4,500)	(4,500)	0
Stanton School/Stantonbury Campus	1,529	1,529	0
St Thomas Aquinas	(13,500)	(13,500)	0
Premier Academy (Water Eaton Road)	(1,529)	(1,529)	0
Tickford Park School	(3,212)	(3,212)	0
New Bradwell	(2,008)	(2,008)	0
School Routes & Redway Improvements	(16,410)	(16,410)	0
V6 jnc Oldbrook Blvd, Oldbrook	8,170	8,170	0
Studley Knapp, Walnut Tree	0	33,750	(33,750)
Parsley Close, Walnut Tree	0	33,750	(33,750)
Walton Play Area	0	93,600	(93,600)
Resources			
Western Expansion Area Common Infrastruc	25,000	25,000	0
Total Amendments to Resource Allocation and Spend Approval for Existing Projects	1,238,998	1,490,789	(251,791)
Revised Capital Programme after Adjustments	151,291,401	138,660,240	12,631,162

Scheme	Resource Allocation 2015/16 £	Spend Approval 2015/16 £	Spend Approval not Requested 2015/16 £
2015/16 Tariff Programme as agreed at the 12th October Cabinet	40,179,000	25,200,000	14,979,000
Amendments to Resource Allocation and Spend Approval for Existing Projects			
H9 Groveway Redway Extension	50,000	50,000	0
Other City Streets	0	480,000	(480,000)
Total Resource Allocation & Spend Approval requests for Existing Projects	50,000	530,000	(480,000)
Revised Tariff Programme after Adjustments	40,229,000	25,730,000	14,499,000

Wards affected: All Wards

SHARED SERVICES PARTNERSHIP (LGSS AND MILTON KEYNES)

Responsible Cabinet Member: Councillor Middleton (Resources and Commercialisation)

Report Sponsor: Tim Hannam (Corporate Director Resources) Tel: 01908 252756

Author and Contact: Nicole Jones (Service Director Finance and Resources) Tel: 01908 252079.

EXECUTIVE SUMMARY:

Milton Keynes Council has a significant financial challenge, as demand for services increases while Government funding reduces. This means the Council will need to deliver cashable savings of £30.9m over the period 2017/18 to 2019/20. The financial strategy to address this budget gap is based on three principles smarter, sustainable and different.

In October 2015, Cabinet gave approval to create an outline business case (OBC) based on the proposal that Milton Keynes Council would join the existing LGSS partnership as a full Joint Committee partner. The resulting OBC (Annex A) addresses all three principles of the financial strategy, but is primarily a proposal to deliver services differently.

Joining LGSS as a partner will deliver £4.5m of financial savings over the period 2016 to 2021, which will be shared with LGSS as set out in the confidential annex. In addition any benefits beyond the medium term financial plan requirements will be shared. As well as a clear financial benefit, the OBC sets out a number of non-financial benefits, such as resilience and flexibility, specialist roles, shared systems and support and sharing best practice, which strengthens the rationale for proceeding with this shared service.

This paper sets out further details on the proposed operation of the Joint Committee.

1. Recommendations

1.1 That based on the outline business case (Annex A) and the terms of the partnership arrangement (as set out in Annex C), the Council be recommended to agree:

- (a) that Milton Keynes Council join the LGSS shared service partnership from 1 April 2016;
- (b) to appoint three councillors to represent the Council on the Joint Committee, and delegate to the Committee responsibility for setting the LGSS Budget (within the amounts delegated by individual councils); agreeing the service plan; monitoring performance and quality of service delivery and making decisions on expenditure and commercial arrangements; and
- (c) that the appointments to the Joint Committee be reviewed as part of the Council's annual process for appointments to outside organisations.

1.2 That the Scrutiny Management Committee be requested to review this proposal to inform the Council's decision in March 2016.

2. Background

2.1 Milton Keynes Council has a significant financial challenge, as demand for services increases while Government funding reduces. This means the Council will need to deliver cashable savings of £30.9m over the period 2017/18 to 2019/20. The financial strategy to address this budget gap is based on three principles smarter, sustainable and different.

2.2 In October 2015, Cabinet gave approval to create an outline business case (OBC) based on the proposal that Milton Keynes Council would join LGSS (a public sector shared services venture wholly owned by Cambridgeshire and Northamptonshire county councils) as a full Joint Committee partner. The resulting OBC addresses all three principles of the financial strategy, but is primarily a proposal to deliver services differently. The Cabinet decision in October outlined a challenging timescale to develop the OBC and recommendation to Cabinet for January 2016. The pace agreed by Cabinet is necessary for a number of reasons, mainly:

- The Council was procuring a new Enterprise Resource Planning system. The initial business case had shown a significant financial benefit, providing the new system was implemented before June 2017. This decision has been paused pending the shared service decision. Any delay beyond January would mean the financial benefits from the new ERP system would be delayed, and a new contract with existing provider SAP would need to be negotiated.
- A number of other procurement decisions are being paused to enable the maximum benefit to be achieved from the shared service partnership, additional delays would mean some of these benefits may be delayed.
- A period of uncertainty causes risks for the Council services, as key individuals may leave the organisation. The longer the period of uncertainty the greater the risk to the ongoing delivery of services.
- The Council needs to deliver financial savings for the medium term. Certainty on the future provision of services is required in order to make the necessary changes to improve efficiency and reduce costs, with the minimum impact on service delivery.

3. Introduction

3.1 This Cabinet report results from the Cabinet decision in October, to create an OBC exploring whether Milton Keynes Council should join the LGSS shared service arrangements as a partner. This report sets out the main findings from the OBC; the proposed governance and operation arrangements and the decisions required for the Council to join a shared services arrangement.

4. The Development of the OBC

4.1 The individual service proposals in the OBC (Annex A [\[Link\]](#)) have been developed by the relevant service leads for LGSS and Milton Keynes Council. A number of meetings have been held and data shared to consider the operating model and performance of both services at present and the opportunities, risks and benefits as a result of expanding the current shared service. All services have considered their future design reflecting the best elements of both services.

4.2 The design work by individual services has also included the identification of potential benefits, both financial and non-financial.

5. Scope

5.1 The table below sets out the services proposed to be included in the shared services arrangement with LGSS:

October Cabinet Report	January Cabinet Report	Scope of Services
Human Resources	Human Resources	HR policy, professional advice, payroll, management information and reporting, support for JNC/E and corporate training. However, social care training and development is excluded at this time.
Finance	Finance	Professional finance services including advice and support, reporting, training, payment of invoices, key financial administration systems and processes, including invoice payments and financial assessments
ICT	ICT	Providing essential ICT infrastructure, hosting of servers, ICT support and advice and applications support and development.
Revenues and Benefits	Revenues and Benefits	Council Tax, Business rates and Benefits administration. Policies would still be determined by MKC.
Procurement	Procurement	Advice and support to enable procurements, contract management advice, support and review, responsibility for maintaining the procurement process, including e-tendering and contracts register.
Insurance	Insurance	Advice on setting policy, ensuring cover is in place, claims handling and proactively working with services to minimise future liabilities.
Internal Audit, Risk Management and Fraud	Internal Audit, Risk Management and Fraud	Defining and delivering the audit plan, risk management approach and support, fraud, advice and support for managers.
	Democratic Services	CMIS, delivery of democratic support for the Council, excluding the Monitoring Officer and elections.
Legal Services		Not recommended to include at present. Exploring alternative approaches, which may see some elements provided by other councils.

- 5.2 The only service incorporated after the scope was defined in October was democratic services, which reflects a longer-term opportunity to create shared best practice and greater resilience. The only service which was in scope in October but is not being recommended at this time, is legal services.
- 5.3 However, there are a number of smaller services which could be incorporated into the shared service at a future time. These include health and safety, GIS and project management.

6. Financial Benefits

- 6.1 The Council needs to deliver financial savings of £30.9m from 2017/18 to 2019/20, as a result of increased service demand and reducing Government funding. This is a challenging position, where the priority for the Council is to minimise the impact on key services that the public value and require.
- 6.2 The Council's financial strategy has therefore reflected the position that the services in the scope of this OBC will need to make considerable savings, as part of closing the budget gap. However, it is also recognised that the effective operation of these services is essential to the delivery of front-line services and meeting some of the Council's statutory responsibilities, so the delivery of savings must be balanced with the impact of these cost reductions.
- 6.3 Outline Business Case includes the delivery of base budget savings of £3.145m from all services excluding Revenues and Benefits, and £1.3m from revenues and Benefits. These benefits will be shared between Milton Keynes Council and LGSS as set out in the confidential annex B in addition if savings are delivered in excess of the financial targets required in all partners medium term financial plans, these will be shared as set out as part of the financial arrangements for the partnership (confidential annex C).
- 6.4 As part of the financial strategy the Council had expected the services in scope to reduce costs by 7% per year and offset the costs of pay inflation. This proposal delivers this savings requirement, the only current exception is for Revenues and Benefits, where some of the delivery of savings is expected to be achieved from additional revenue sharing (i.e. if improved collection or an increase in the Council Tax or Business Rate Baseline, as a result of LGSS actions). These additional arrangements will need to be approved through individual business cases approved by all relevant authorities.

7. Non-Financial Benefits

- 7.1 In addition to the financial benefits all service leads considered the non-financial benefits for their service. These are outlined in the OBC, however the main points are as follows:
- Resilience and Flexibility – the greater size and scale of the shared service operation will create resilience for service delivery, which reduces the risks from the loss of key individuals. Greater numbers of people also increases the ability to prioritise work and therefore manage resource more flexibly.
 - Specialist roles – having larger teams, which are shared across five councils, (three partners plus two main delivery agreements) means there is greater capacity to retain specialist roles which was becoming increasingly difficult for Milton Keynes on its own.

- Better Staff Retention – larger teams, gives greater potential for development, expose to different organisations and the ability to progress within the organisation. The experience of LGSS to date, has been that this is attractive for individuals and staff retention has improved as a result.
- Sharing Best Practice – supporting a number of councils with similar issues means there is potential to share ideas and best practice to develop a better service in the future. This also applies to areas where ideas may impact on the wider council, where support staff can provide links between organisations.
- Systems and Support – rather than supporting and running systems for individual councils, there a number of examples (the ERP system being the largest) where a single system could be used across a number of councils. This provides the opportunity to reduce running costs and gives a stronger basis to negotiate with suppliers on licence costs.
- Procurement – there are some services which could be jointly procured, either for the running of LGSS or the benefit of the wider council. This approach can include the possibility of having lots to ensure a joint procurement can still reflect local factors, but the greater buying power of a number of councils will be more attractive to the market. There are also opportunities to share learning and specifications, so even where a joint procurement is not possible there are still benefits and efficiencies.

8. Governance

- 8.1 LGSS is managed through a Joint Committee. This is a decision making body, with delegated powers from each partner council. The Committee currently comprises 3 Councillors from both Northamptonshire and Cambridgeshire County Councils, as the partners. The Chief Executives of both councils are currently advisers to the Committee, but have no voting rights.
- 8.2 Milton Keynes would have three new Councillors on the Joint Committee (making a total of 9), and the Chief Executive would also act as an advisor. Milton Keynes will nominate Councillors to the Committee as part of the annual process to confirm membership of all Committees.
- 8.3 The Joint Committee is responsible for setting the LGSS Budget (within the amounts delegated by individual councils); agreeing the service plan; monitoring performance and quality of service delivery and making decisions on expenditure and commercial arrangements. A summary of the main elements of the proposed governance model is set out in annex D.
- 8.4 It should be noted that policy and procurement decisions relating to the wider operation of the Council remain with Milton Keynes Council. For example even though the service delivery for Revenues and Benefits would be in LGSS, Milton Keynes Council would still be responsible for setting policies on matters such as Local Welfare Provision.
- 8.5 If there was an opportunity for a joint procurement, Milton Keynes Council would either need to delegate the approval for the leadership and decision making for that contract to a partner council, or Milton Keynes Council could still make a decision to approve the stage to go out to tender, approving the specification and then allow a single partner authority (which in some cases may be MKC) to award once tenders have been received.

- 8.6 In reality the majority of the baseline budget for LGSS is for staff. The Joint Committee will be responsible for a few small contracts for operational items across LGSS, but any major investment would still need approval through each partner council, to access the capital programme.
- 8.7 It is very likely – and of course subject to customary MKC’ committee appointment’ processes - that the Cabinet Member for Resources, and indeed his successors, would take one of the three available LGSS’ Joint Committee’ positions. As such, the Cabinet Member would be involved in the strategic decision making of LGSS, and be answerable for his and the overall quality of the strategic decision making and performance levels of LGSS.
- 8.8 In particular, the Cabinet Member would be available for challenge at monthly Cabinet, Overview and Scrutiny’ committee and at Task & Finish’ Groups as and when established. Council and indeed Opposition Parties therefore retain regular and meaningful opportunities to exercise challenge in connection to LGSS’ strategic decision making and performance levels. In similar terms, as the S151 is a standing attendee at monthly Cabinet, he and his successors will be subject to overview, scrutiny and challenge, in connection to the operational decision making and performance levels of LGSS.
- 8.9 Given the S151’ role is a nominated director on the LGSS operations board, and the Cabinet Member for Resources likely strategic decision making role on the Joint Committee, Council and Opposition Parties would be able to receive reports and exercise meaningful challenge, in connection to both strategic and operational matters at LGSS at regular junctures.

9. Operational Management

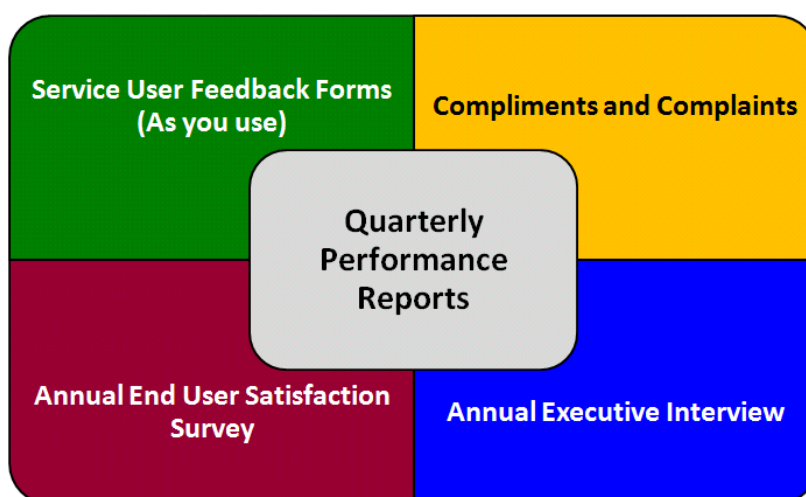
- 9.1 The operational management of LGSS is through a management Board. At present this Board is led by a Managing Director (John Kane) and has four Directors. The inclusion of Milton Keynes would require the addition of a Director role. This would be the Corporate Director Resources. This role would be both to represent Milton Keynes on the LGSS Management Board and to represent LGSS as part of the Corporate Leadership Team in the Council. This role will be responsible for managing a number of shared service functions (whilst retaining responsibility for functions which remain in MKC, such as property) and integrating Milton Keynes smoothly into the shared service.
- 9.2 The function of S151 officer will not transfer to LGSS but will continue to be delivered by the Corporate Director Resources. As no roles TUPE transfer, this post will continue to be employed by Milton Keynes Council.
- 9.3 In practice this will mean that the Corporate Director, Resources, will remain as S151 officer and will be part of the LGSS operational Board. This will ensure that MKC has a strong influence on the management and direction of services and there is a clear understanding within LGSS of the needs of the Milton Keynes Council.
- 9.4 The OBC does not include any savings at Director level in either of the current LGSS or MKC structures, reflecting the fact that as a significantly expanded shared service the capacity will need to be retained at this strategic level. A proposed ‘Day 1’ functional model of LGSS is included in Appendix A of the attached OBC.

9.5 Structures below the Board level will need to be developed in detail and appropriate HR processes undertaken (in line with the proposed changes to the service) to appoint staff to relevant roles. The process of integration and service development in the new arrangements will need to be managed well to maintain service standards throughout transitions.

10. Performance Management and Accountability

10.1 Performance will be measured against key performance indicators, which will be collated and reported quarterly. In addition each service will have an accountable manager, who will hold operational performance measures to ensure the delivery of the service across all aspects is performing well.

10.2 There is also a formal customer satisfaction and engagement framework, which analyses a range of data to give a view on service delivery. The framework comprises of 5 key components which are shown in the graphic below:



Annual End User Satisfaction Survey - focuses on the operational day to day delivery of LGSS Services, and provides all end users within our customer organisations with the opportunity to rate and comment on our services.

Annual Executive Interview - held with the Chief Executive, or delegated to a member of their management team. It helps to ensure LGSS supports our customers with their priorities and reflects improvements or concerns

Service User Feedback e-Forms - offered to customers throughout the year upon completion of a transaction/request/piece of work.

Quarterly performance reports

There are quarterly reports which compare performance against KPIs and with feedback received through the other channels.

Service Improvement Plans

Feedback received through the various channels within the Customer Satisfaction and Engagement Framework is analysed to both celebrate positive areas of performance but to also identify areas which require improvement.

This provides key information to produce annual directorate Service Improvement Plans (SIP) which set out the key improvements which will be implemented. The development of SIPs is undertaken in partnership between LGSS and customers to ensure improvements meet the needs of all parties. Progress against SIPs reported to customers on a quarterly basis.

- 10.3 As a partner Milton Keynes will also be part of the quarterly performance review process at both the Operational Board and Joint Committee.

11. Workforce Impact

- 11.1 As a partner in LGSS, Milton Keynes Council will remain the employer for the Milton Keynes staff who will become part of the shared service. So there is no requirement for TUPE, or changes to terms and conditions directly as a result of these proposals.
- 11.2 Over the medium term it is likely that workforce reductions will still be required, to reflect the ongoing need to reduce costs across all three partners. However, the development of the shared service means that these changes will take place across all the employing organisations. The ambition for LGSS is also to increase trading, so to minimise the impact of cost reductions on the workforce by undertaking additional trading activity.
- 11.3 In considering service design, business leads have considered the potential location of staff. It is apparent that for the majority of services there will still need to be a local presence, and teams will need to work in a more agile and virtual way. Staff will only be relocated to a single site if there is a good operational and financial reason, and changes would be made as part of a transition to a redesigned service. It is currently expected that there will be relatively little relocation of staff on a full time basis, although some individuals will need to work across more than one location.
- 11.4 LGSS is committed to minimising compulsory redundancies. If there is a strong financial and operational reason for locating services in a single location, there may be opportunities to re-train staff in other skills required in a locality. However, in order to deliver the scale of financial savings required, there will need to be workforce reductions overall in the medium term.

12. Further Decisions Required

- 12.1 In order to implement a shared service, Cabinet will need to make recommendations to Council in order to implement the changes to the Constitution required. This will delegate powers to the Joint Committee. This decision is scheduled for Council in March, to enable implementation from 1st April 2016.

13. Future Ambition

- 13.1 Milton Keynes joining LGSS would take the total employees of LGSS to c. 1,800 and the employees of the councils being supported to 25,000. The geography within LGSS would provide a significant local presence. The addition of a unitary council as a partner provides greater assurance to potential customers for some lower level services (not delivered by county councils) and the ability to create synergies across a two tier relationship. Therefore it is anticipated that Milton Keynes joining LGSS would provide a strong commercial trading basis for services in the future. The ambition is both to increase small scale (for example individual

schools) trading but also to encourage other councils to join the arrangements. However, the focus and ethos will be to retain a focus on providing services to the public sector.

14. Annexes

14.1 The follow documents are appended to this report:

Outline Business Case	Annex A [Link]
Benefits of Shared Service to Milton Keynes Council	Annex B
Partnership Financial Arrangements	Annex C
Governance Proposals	Annex D

15. Implications

15.1 Policy

This proposal reflects the financial strategy which requires costs to be reduced through smarter and more sustainable models of service delivery.

15.2 Resources and Risk

Yes	Capital	Yes	Revenue	No	Accommodation
Yes	IT	Yes	Medium Term Plan	Yes	Asset Management

The financial benefits from LGSS to Milton Keynes Council are set out in section 6. However, with more detailed design work and more time it is felt that the remaining benefits required will be identified. In addition it is likely that measures such as joint procurements will reduce costs for the wider council.

However, in developing the OBC managers have considered the need for additional investment. The table below sets out the investment requirements and potential funding sources.

Description	Service	£000	MKC £000	LGSS £000	Funding Source
IT ERP solution	IT	4,300	1,600	2,700	Capital
IT data hosting	IT	961	961		Capital
E recruitment	HR transactions	13	13		MKC
DBS e bulk	HR transactions	1	1		MKC
Revenue & Benefits system	Revenues & Benefits	TBA	TBA	TBA	TBC
Single View of Debt	Debt recovery	30	15	15	Additional Benefits
Total Investment		5,305	2,590	15	

MKC has already approved Resource allocation in the Capital Programme of £1.3m for the ERP replacement and £1.1m for data hosting, a total of £2.4m. While MKC will only pay for actual additional costs incurred, this leaves a shortfall of £0.16m for these two programmes. However, MKC will make an ongoing saving of £0.14m, from the licence and support savings from SAP (there will be significant additional benefits from changes to processes), which will be deferred for a year to pay for the additional implementation costs, if required.

The remainder, along with costs for DBS e bulk and e-recruitment, a total of £0.035m will be funded from the MKSP reserve. The Council had been looking at potential solutions in both these areas, but the implementation costs would be significantly higher than using a solution which is already developed and in place. These process improvements are also expected to deliver additional financial benefits from Milton Keynes Council services, although the value of this benefit has yet to be determined.

Risks and Mitigations

The key risks and mitigations for this proposal are as follows:

Risk	Mitigation
Loss of direct management, means services do not reflect Council needs	MKC as a partner will influence the planning and operation of the shared service through its role on the Joint Committee. This will include agreeing Service Plans and reviewing performance. The additional director role on the operational board will also enable priorities for and feedback from MKC to be incorporated.
Financial savings are not delivered	LGSS has delivered all financial savings requirements in previous years for existing partner authorities. Monitoring of savings plans and income will provide assurance on delivery, along with a project management approach where individual proposals require significant change.
Service quality does not meet Council requirements	MKC will monitor and manage service quality through both the operational board and the Joint Committee.
Non-financial benefits are not delivered	An integration plan for MKC will be developed once the Cabinet and Council decisions have been taken, which will focus on delivering both the practical changes and culture change necessary to maximise the benefits of a shared service arrangement.
Loss of key staff	As part of the transition staff will be engaged in the plans for the shared service and will understand the shape and opportunities a shared service could bring. There are some key areas of risk, this will need to be monitored and managed appropriately.

Other Shared Service Examples

At present the Local Government Association (LGA) has identified 416 shared service arrangements, with a varying range and remit. The LGA conducted a review of Shared Services in 2014, resulting in the publication “Services Shared: Costs Spared?” This review included considering a few shared service examples in detail (including LGSS) to evaluate if there was a benefit from these arrangements to councils. The key findings were as follows:

1. Clear financial benefits can be made from sharing services. Savings are achieved through consolidating organisation structures, integrating information technology, reducing accommodation, and improving procurement
2. Early savings are made by reducing staff – removing duplication and management posts.
3. These initial benefits are typically delivered rapidly with strong top-down leadership.
4. As shared services mature and evolve they are able to benefit from wider business transformation – such as better use of IT and assets, improved processes and cultural change programmes.
5. The set up and integration costs for merging services are modest with less than a two year payback period for all the shared service arrangements.
6. Baseline financial and performance information is essential to make the case for change and track the benefits of shared service arrangements in terms of efficiencies and service improvements. This was a difficulty with all the five shared service arrangements researched and made it hard to make performance comparisons.
7. Despite this, it appears that the shared service arrangements have succeeded in providing the same or better levels of performance at less cost.
8. Good performance against organisations’ key performance indicators are complemented by good staff indicators – such as high staff morale, low staff sickness and low turnover rates.
9. Rapid implementation of shared service arrangements helps build momentum for change.
10. Expanding established shared services to provide services for other public sector partners in a locality is a useful way to generate income and ensure efficiencies through greater economies of scale.

Carbon and Energy Management

15.3 Legal

Two or more local authorities can establish a committee consisting of members of two or more authorities for the joint discharge of functions of those authorities, ([section 101](#) Local Government Act 1972).

Joint committee arrangements do not affect the responsibilities of an authority's executive.

The Council may arrange for its functions to be carried out by another local authority (an agency arrangement). The statutory responsibility for the function remains with the delegating authority.

All delegations will be set out in a written agreement that clearly defines which functions are being transferred and any conditions to which the transfer is subject.

These joint arrangements will be set out in and become part of the council's constitution standing orders.

15.4 Other Implications

No	Equalities / Diversity	Yes	Sustainability	No	Human Rights
No	E-Government	Yes	Stakeholders	No	Crime and Disorder
No	Carbon and Energy Policy				

MKC/ LGSS Governance Proposal

Purpose

This document outlines the proposed governance arrangements for the partnership between LGSS (NCC and CCC) and MKC. The current arrangements are based on the delegation and joint agreement document (which is currently stated as a draft). In order to formally constitute the Joint Committee for MKC a revised partnering agreement will need to be developed, based on the principles and formal amendments to the constitutions (of all three councils) will need to be implemented.

Governance Arrangements

Current Arrangements (NCC and CCC only)	Proposed Approach(MKC, CCC and NCC)	Significant Changes and Comments
<p>Membership: Joint committee structure is formed of CEO and 3 councillors from each organisation. Councillors would be nominated to reflect the balance of the political parties in each partner authority.</p> <p>Constitution:</p> <ul style="list-style-type: none"> • Members have full voting rights • Nominated substitutes may attend providing they are nominated in advance • Councils can change nominated members providing they inform the secretary in writing. • Members cease to be members of the committee when they are removed by the council or if they are no longer elected members. • Chair changes each year, and the chairs authority is the host. • Joint committee must meet quarterly unless they decide not to. • 5 clear days notice of additional meetings. • Agenda circulated 5 business days in advance of the meeting. 	<p>Membership: Joint Committee formed of three Councillors from each of the three councils (total of 9 members). The Chief Executives of each council also attend Joint Committee as advisors.</p> <p>Constitution:</p> <ul style="list-style-type: none"> • Members have full voting rights • Nominated substitutes may attend providing they are nominated in advance • Councils can change nominated members providing they inform the secretary in writing. • Members cease to be members of the committee when they are removed by the council or if they are no longer elected members. • Chair changes each year, and the chairs authority is the host. • Joint committee must meet quarterly unless they decide not to. • 5 clear days notice of additional meetings. • Agenda circulated 5 business days in advance of the meeting. 	<p>Addition of partner on the same basis as the existing structure. This would be easiest model to reflect the changing balance of power in MKC.</p> <p>No change</p>

Current Arrangements (NCC and CCC only)	Proposed Approach(MKC, CCC and NCC)	Significant Changes and Comments
<ul style="list-style-type: none"> • Written minutes. • Quorum of two members from each Council. • Decisions are taken based on simple majority of those at the meeting. • General operation of the meeting as expected including allowing amendments (which are discussed and voted on in turn). • Joint committee can delegate functions to sub-committee or officer. <p>Functions of the Committee:</p> <ul style="list-style-type: none"> • To approve the Service plan • Set the Budget for LGSS within the parameters of the amounts defined by the councils. • To manage the performance of LGSS against SLAs • To agree any decisions with implications of >£500k. <p>Service plans:</p> <ul style="list-style-type: none"> • Partner councils notify the Joint Committee of the amount of funding available, for the next three years by October. • Managing director for LGSS needs to submit to the Joint committee an annual written service plan for the next three financial years by November • On receipt of the service plan, the Joint Committee will make amendments and approve the service plan and service level agreements. 	<ul style="list-style-type: none"> • Written minutes. • Quorum of two members from each Council. • Decisions are taken based on simple majority of those at the meeting. • General operation of the meeting as expected including allowing amendments (which are discussed and voted on in turn). • Joint committee can delegate functions to sub-committee or officer. <p>Functions of the Committee:</p> <ul style="list-style-type: none"> • To approve the Service plan • Set the Budget for LGSS within the parameters of the amounts defined by the councils. • To manage the performance of LGSS against SLAs • To agree any decisions with implications of >£300k (based on CCC document). <p>Service plans</p> <ul style="list-style-type: none"> • Partner councils notify the Joint Committee of the amount of funding available, for the next three years by September. • By end of October the Managing Director supplies a draft set of proposals for managing budget reductions (to be incorporated in budget documentation as appropriate). • Managing director for LGSS needs to submit to the Joint committee an annual written service plan for the next three financial years by November. 	<p>No changes required.</p>
<ul style="list-style-type: none"> • Partner councils notify the Joint Committee of the amount of funding available, for the next three years by October. • Managing director for LGSS needs to submit to the Joint committee an annual written service plan for the next three financial years by November • On receipt of the service plan, the Joint Committee will make amendments and approve the service plan and service level agreements. 	<p>Service plans</p> <ul style="list-style-type: none"> • Partner councils notify the Joint Committee of the amount of funding available, for the next three years by September. • By end of October the Managing Director supplies a draft set of proposals for managing budget reductions (to be incorporated in budget documentation as appropriate). • Managing director for LGSS needs to submit to the Joint committee an annual written service plan for the next three financial years by November. 	<p>Brought notification of funding date forward by a month and introduced a requirement to feedback savings proposals for incorporation in draft Budget documentation before publication.</p> <p>It is recognised that the proposals will be subject to approval and change by the Joint Committee after this date, but this allows information to be shared as part of the Budget and the assessment of the robustness and risks in the Budget at draft stage, as required.</p>

Current Arrangements (NCC and CCC only)	Proposed Approach(MKC, CCC and NCC)	Significant Changes and Comments
<ul style="list-style-type: none"> Joint Committee is responsible for reviewing actual performance of the shared services against the service plans and service level agreements. 	<ul style="list-style-type: none"> On receipt of the service plan, the Joint Committee will make amendments and approve the service plan and service level agreements. Joint Committee is responsible for reviewing actual performance of the shared services against the service plans and service level agreements. 	
<p>Annual Report: Annual report will be submitted to the Joint Committee by end of April each year. This report will include the activities of the shared services, the financial position and an explanation of the plans for the future years. The Joint Committee will consider the report before referring to the partner Cabinets (or appropriate Committee).</p> <p>Office Accommodation: Partners will provide suitable accommodation to relevant staff. Relocation of staff can occur to promote increased efficiency and will be undertaken in accordance with the employing council's procedures.</p>	<p>Annual Report: Annual report will be submitted to the Joint Committee by end of April each year. This report will include the activities of the shared services, the financial position and an explanation of the plans for the future years. The Joint Committee will consider the report before referring to the partner Cabinets (or appropriate Committee).</p> <p>Office Accommodation: As current</p>	<p>No change apart from the reference to appropriate committee to allow for the change in structure in CCC.</p>
<p>Assets: An asset register will be maintained</p>	<p>Assets: An asset register will be maintained and assets will be owned by the partners of the shared service for the use of the shared point of entry to the arrangement.</p> <p>The sharing of asset value will be in accordance with the distribution formula.</p>	<p>No change</p>
		<p>Added the need to define how asset value is distributed. Distribution formula will be revised as part of the partnership financial proposal annex B</p>

Current Arrangements (NCC and CCC only)	Proposed Approach(MKC, CCC and NCC)	Significant Changes and Comments
<p>Costs and Liabilities:</p> <ul style="list-style-type: none"> Costs will be shared as agreed by the councils, or based on the distribution formula. Councils are jointly liable for claims and costs which will be distributed in accordance with the distribution formula (unless otherwise agreed). <p>Insurance:</p> <p>Councils will maintain public liability insurance of at least £25m and employee liability cover for premises.</p> <p>Staff:</p> <p>Staff are appointed and managed by the Managing Director and Service Directors of the partnership.</p>	<p>Costs and Liabilities:</p> <ul style="list-style-type: none"> Costs will be shared as agreed by the councils, or based on the distribution formula. Councils are jointly liable for claims and costs which will be distributed in accordance with the distribution formula (unless otherwise agreed). <p>Insurance:</p> <p>Councils will maintain public liability insurance of at least £25m and employee liability cover for premises.</p> <p>Staff:</p> <p>LGSS staff are appointed and managed by the Managing Director and Service Directors of the partnership.</p> <p>The Joint Committee will be responsible for the appointment of the Managing Director and will be involved in the recruitment of Service Directors.</p>	<p>No change</p>
<p>Funding of the Joint Committee:</p> <ul style="list-style-type: none"> Finance officer will prepare a base budget forecast for the next three financial years. No later than 10th January, the Joint Committee will submit to each Council its funding requirements for the following financial year Disputes will be settled through the dispute resolution procedure. Sums will be paid quarterly to the Joint Committee. An annual account will be supplied by 30th May 	<p>Funding of the Joint Committee:</p> <ul style="list-style-type: none"> The LGSS financier officer will prepare a base budget for at least the following three financial years, alongside the development of the service plan. This will set out the financial contributions from partners (based on the information provided by individual councils). Cashflow forecasts will be prepared for the period, including identification of the cash payments by partners (not the proportional contribution) to determine if the cashflow has a material impact on any partner authority (determined as a loss of 	<p>No change</p> <p>Added requirements for political involvement in the appointment of the Managing Director and service directors to reflect current practice.</p>
<p>Funding of the Joint Committee:</p> <ul style="list-style-type: none"> Finance officer will prepare a base budget forecast for the next three financial years. No later than 10th January, the Joint Committee will submit to each Council its funding requirements for the following financial year Disputes will be settled through the dispute resolution procedure. Sums will be paid quarterly to the Joint Committee. An annual account will be supplied by 30th May 	<p>Funding of the Joint Committee:</p> <ul style="list-style-type: none"> The LGSS financier officer will prepare a base budget for at least the following three financial years, alongside the development of the service plan. This will set out the financial contributions from partners (based on the information provided by individual councils). Cashflow forecasts will be prepared for the period, including identification of the cash payments by partners (not the proportional contribution) to determine if the cashflow has a material impact on any partner authority (determined as a loss of 	<p>Clarified requirements to link back to Budget and Service planning process.</p> <p>Incorporated a cashflow calculation to allow for proportionate funding and ability to mitigate the impact on partners cashflow only if required.</p> <p>Final accounts date should be ok for the new timetable, but may have to consider bringing forward a few days to allow submission of accounts to external audit on 1st June, but this can be an informal arrangement if accelerated timetables require.</p>

Current Arrangements (NCC and CCC only)	Proposed Approach(MKC, CCC and NCC)	Significant Changes and Comments
<ul style="list-style-type: none"> • Heads of Audit and Monitoring officers will have unlimited access to fulfil their responsibilities. 	<p>interest of >£50k), and if normalisation payments are required during the financial year.</p> <ul style="list-style-type: none"> • If payments are required to offset the cashflow impact these will be implemented on no more than a quarterly basis. 	
<p>Withdrawal:</p> <ul style="list-style-type: none"> • Will need to give 18 months notice to the other partners, if partners wish to leave and to the Joint Committee. • Need to pay reasonable costs for withdrawal. 	<ul style="list-style-type: none"> • Will need to give 18 months notice to the other partners, if partners wish to leave and to the Joint Committee. • Need to pay reasonable costs for withdrawal. 	No change
<p>Termination:</p> <ul style="list-style-type: none"> • Requires payment of costs • Division of assets and Intellectual property rights. • Acting to minimise losses 	<p>Termination:</p> <ul style="list-style-type: none"> • Requires payment of costs • Division of assets and Intellectual property rights. • Acting to minimise losses 	No change
<p>Dispute resolution:</p> <ul style="list-style-type: none"> • Heads of paid services, if can't be resolved in 10 days • Escalated to heads of paid services, if can't be resolved referred to Joint Committee. • If can't be resolved by Joint Committee referred to arbitration. 	<p>Dispute resolution:</p> <ul style="list-style-type: none"> • Heads of paid services, if can't be resolved in 10 days • Escalated to heads of paid services, if can't be resolved referred to Joint Committee. <p>If can't be resolved by Joint Committee referred to arbitration.</p>	No change
<p>Scrutiny and External Audit</p> <ul style="list-style-type: none"> • Scrutiny of the agreement and functions is the responsibility of each council. • Accounts will be subject to audit by the auditor appointed by the Audit Commission 	<ul style="list-style-type: none"> • Scrutiny of the agreement and functions is the responsibility of each council. • Accounts will be subject to audit by the auditor appointed by the Audit Commission until this responsibility transfers to individual councils. When this happens the external auditor will be appointed by the Joint Committee. 	<p>From 2018/19 (recent extension by a year) councils will need to appoint its own auditor. This will become a responsibility of the Joint Committee, with the procurement needing to be completed by December 2017, to be in place for the first year of the audit.</p>

Current Arrangements (NCC and CCC only)	Proposed Approach(MKC, CCC and NCC)	Significant Changes and Comments
<p>Contract Procedure Rules</p> <p>NCC and CCC have aligned their contract procedure rules to support a shared procurement service. This approach allows for different key decision limits to operate in individual councils.</p>	<p>Contract Procedure Rules</p> <p>Revised set of contract procedure rules for all three partners, taking the best of all.</p>	<p>This is being picked up as part of the Procurement workstream to provide a short summary of the differences and if there are any potentially significant issues.</p>

Scheme of Delegation

Current Arrangements (NCC and CCC only)	Proposed Approach(MKC)	Significant Changes and Comments
<p>CCC Officer Delegations (Part 3D Section 10.)</p> <p>Capital virement - £250k</p> <p>Revenue virement - £160k</p> <p>Debt write off - £10k</p> <p>Loans to people or organisations - £75k</p> <p>Property transaction, capital value - £500k</p> <p>Property transaction, revenue value - £150k</p> <p>Loans and expenditure of client funds - £300k</p>	<p>Officer Delegations</p> <p>Capital virement – none, capital programme remains subject to MKC Cabinet decisions</p> <p>Revenue virement – none apart from technical changes (as per current scheme of delegation).</p> <p>Debt write off - £20k, any amounts above this level are reported to the Joint Committee for approval)</p> <p>Loans to people or organisations - £75k</p>	<p>Proposing the majority of limits to remain the same, as the current scheme of delegation. Except for an increase in officer delegations on spend to reflect the increase in size of potential contracts (to cover the operations of LGSS over 3 sites) and to maintain the current role of the Joint Committee.</p>
<p>NCC Officer Delegations (Part 3 Section 15)</p> <p>Capital virement - £100k</p> <p>Revenue virement - £100k</p> <p>Property transactions, Capital Value - £100k</p> <p>Property transactions, Annual Rental - £100k</p> <p>Issuing orders for goods and services -£500k</p>	<p>Property transaction, capital value – n/a</p> <p>Property transaction, revenue value – n/a</p> <p>Expenditure for goods and services - £500k</p>	