

Medium Term Financial Strategy 2023/24 - 2026/27 Budget Pressures

Portfolio Holder	Service Group	Budget Pressure (New or Revision)	New Reference number	Old Reference Number	Lead Officer	Proposal Description	Risk Level	Budget 2022/23	2023/24	2024/25	2025/26	2026/27	Reason	Justification
								£000s	£000s	£000s	£000s	£000s		
						Name, What is the Pressure, Why has it occurred and what are the key assumptions behind the values and dependencies that might impact on this (explain if these change by year)	High, Medium, Low* for definitions see below data Pick from drop down	Current Year Gross Budget £'000					Pick from drop down	Pick from drop down
Demand Pressures														
Emily Darlington	Adult Services	Revision	P23-1L	P22-1L	Victoria Collins	Learning Disability (LD) Services - The budget pressure is modelled on the number of young people with LD reaching adulthood who need support from in supported living placements and direct payments. The estimate is based on an anticipated 29 service users transitioning to Adult Services in 2023/24, 25 in 2024/25, 26 in 2025/26 and 27 in 2026/27.	MEDIUM	13,354	1,246	977	918	1,021	DEMOGRAPHY	FINANCIAL Model
Emily Darlington	Adult Services	Revision	P23-2L	P22-3L	Victoria Collins	Older People - The pressure for residential and nursing spot packages in 2023/24 reflects the higher number of packages and increase in placements in the current financial year, some of which due to complexity are high cost, plus anticipated growth. From 2024/25 onwards, activity levels are forecasted based on the assumptions of a general net demographic growth of 3% each year based on Poppi database.	HIGH	13,124	2,311	381	413	413	DEMOGRAPHY	FINANCIAL Model
Emily Darlington	Adult Services	Revision	P23-3L	P22-4L	Victoria Collins	Physical Disabilities - The budget pressure in 2023/24 is due two high cost spot placement packages in the current year as well as anticipated growth. The assumptions for 24/25 onwards for both are 1% increase per year, as evidenced by Poppi/Pansi data (national statistics).	MEDIUM	3,972	571	227	227	227	DEMOGRAPHY	FINANCIAL Model
Emily Darlington	Adult Services	Revision	P23-4L	P22-5L	Victoria Collins	Mental Health (MH) - The pressure is based on 40 new packages per year, plus seven transitions.	MEDIUM	2,245	951	918	702	647	DEMOGRAPHY	FINANCIAL Model
Emily Darlington	Adult Services	Revision	P23-5L		Victoria Collins	Homeless Prevention & Access. This is a volatile area impacted by wider financial pressures that households are experiencing, for example cost of living for all, increase in rents and mortgages that for some households will lead to a loss of their home and a need for assistance from the Council's housing solutions service. This increase in demand is reflected in a change to the original invest to save assumptions which have been revised to include the likely increase in demand and the impact of inflation.	HIGH	14,304	959	0	0	0	DEMAND: EXCEPTIONAL	FINANCIAL Model
Emily Darlington	Adult Services	New	P23-32N	New	Victoria Collins	Fair Cost of Care - The government have confirmed through the Autumn Statement that the Fair Cost of Care will be delayed until October 2025. However, the Council has already approved a fee change for Home Care Providers in 2022/23 in line with government direction. The full year impact of this pressure has now been added into the 2023/24 budget and will be funded from additional Social Care Reform funding announced for 2023/24 and 2024/25.	HIGH	0	1,120	0	0	0	DEMAND: NEW	FINANCIAL Model
Total Adult Services									7,158	2,503	2,260	2,308		
Zoe Nolan	Children's Services	Revision	P23-6L	P22-7L	Mac Heath	Home to School Travel - 1,400 children currently receive support to access school, the majority of these are children with Special Education Needs that require specialist school placements. The number of pupils entitled to home to schools transport is expected to increase by 7% in 2023/24 and future years, in line with growth forecast in the number of children with an EHCP. There is a higher increase in 2023/24 to bring the base budget in to line with current spend, reflecting additional costs of transport (related to fuel increases), the number of children being transported out of borough and higher levels of complexity requiring different types of transport. Future year pressures are based on the expected additional routes required as a result of increasing pupil numbers and their complexities.	HIGH	5,708	1,072	437	471	505	DEMOGRAPHY	BUSINESS CASE
Zoe Nolan	Children's Services	Revision	P23-7L	P22-8L	Mac Heath	Children with Disabilities (CWD) - The average annual cost of a package of support has increased from £4,715 at April 2021 to £6,102 at April 2022 (an increase of 29%) which is as a result of additional complexity and a number of cases now requiring 2:1 support. As in line with general growth in the number of children with an Education & Health Care Plan (EHCP), we are also anticipating additional growth each year of ten cases. Like many areas, particularly within social care, demand trends have been more volatile as a result of Covid and demand and complexity continue to be monitored closely.	HIGH	1,366	298	64	67	71	DEMOGRAPHY	BUSINESS CASE
Zoe Nolan	Children's Services	Revision	P23-8L	P22-9N	Mac Heath	Children's Social Care Placements - Increase in the complexities of children becoming looked after and those requiring permanent placements such as special guardianship, adoption, staying put and residence orders. The current lack of in-house capacity has resulted in children being placed in external, higher cost placements. Also due to the complexity of children's needs, specialist placements such as high cost secure and residential placements are also being required. The pressure for 2023/24 is based on the current known placements and trends. For 2024/25 onwards demand has been estimated by looking at the expected increase in child population.	HIGH	17,828	747	262	265	268	DEMOGRAPHY	BUSINESS CASE
Zoe Nolan	Children's Services	New	P23-9N	New	Mac Heath	Education Psychology Team - The number of children in Milton Keynes with an EHCP increased by 10% between January 2020 and January 2021, by 7% between January 2021 and January 2022, and has continued to increase by a further 5% between January 2022 and July 2022. As a result of the additional assessments required, an additional budget is required to be able to meet this demand (assessed based on 34 cases at £1,200 per case).	LOW	697	40	0	0	0	DEMOGRAPHY	BUSINESS CASE

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Zoe Nolan	Children's Services	New	P23-10N	New	Mac Heath	SEN Team Capacity - The number of children in Milton Keynes with an EHCP increased by 10% between January 2020 and January 2021, by 7% between January 2021 and January 2022, and has continued to increase by a further 5% between January 2022 and July 2022. As a result of the additional assessments required, an additional budget is required to be able to meet this demand - this pressure allows for one additional post.	LOW	349	39	0	0	0	DEMOGRAPHY	BUSINESS CASE
Zoe Nolan	Children's Services	New	P23-11N	New	Mac Heath	Creation of a Contextual Safeguarding Hub Team - The service changes that will result from this budget pressure form a significant part of our action plan to respond to the evidence of youth exploitation. Milton Keynes has seen a rise in serious youth violence, increased reports of missing episodes, criminal exploitation and County Lines, all concerns related to extra-familial harm and contextual risks. It is proposed to create a new multi-agency Contextual Safeguarding team to support with caseloads of complex young people, which are more time consuming and so currently keeping caseloads high in the Family Support Teams (FST). This proposal provides the additional benefit of freeing up resource in the FST, as approximately 72-80 cases will transfer from FST to the new team. Without these changes there is a considerable risk that pressures in the service at present will continue to grow. The additional staff required to provide a statutory presence and oversight is 3 social workers and a part funded Team Manager.	LOW	0	156	0	0	0	DEMOGRAPHY	BUSINESS CASE
Zoe Nolan	Children's Services	New	P23 - 12N	New	Mac Heath	Family Support Team Expansion - MK Children's Services (CSC) continue to review and adapt its services and approach to reflect the changing needs and demography of a growing city. The last few years have accelerated some of the challenges faced by children and young people and we need to respond to the challenges ensuring we are offering a high quality service to children and families in Milton Keynes. The service changes that will result from this budget pressure form a significant part of the action plan to be a "Good" authority. Without these changes there is a considerable risk that pressures in the service at present will continue to grow, with the result being that the service delivery is compromised and children not being safeguarded appropriately. It is proposed to expand the Family Support Teams (FST) to increase capacity of caseloads and create better management oversight of them. This proposal seeks to increase the number of FST's, create a Service Manager role, regrade Deputy Team Managers to Team Managers and increase the number of Social Workers by 4 across the service.	LOW	4,464	411	0	0	0	DEMOGRAPHY	BUSINESS CASE
Zoe Nolan	Children's Services	New	P23-13N	New	Mac Heath	Young Peoples Supported Housing - Services are currently delivered through a block contract which started in January 2017 and is due to end in October 2023. The current contract provides for 52 placements and since August 2019 the block contract has been supplemented by a provider framework where additional placements and services are secured on a spot purchase basis. The delivery model of the new contract will provide an additional 23 placements within the block contract along with the implementation of a Dynamic Purchasing System (DPS) to commission individual placements for young people, modelling options and a mix of a block contract and framework seems the most cost effective option. It is anticipated that by using the DPS Framework may increase competition and prices may decrease from the previous costs, and provide an opportunity to commission specialist independent living placements at reasonable costs, which may prevent those complex young people escalating into residential care, thereby providing an opportunity for cost avoidance in the external placements budget. This pressure relates to a Delegated Decision taken on 12 July 2022 for Young People's Supported Accommodation.	MEDIUM	521	330	275	0	0	DEMOGRAPHY	BUSINESS CASE
Total Children's Services									3,093	1,038	803	844		
Robert Middleton	Finance & Resources	New	P23-14N	New	Steve Richardson	Housing Benefit Subsidy - This pressure is principally made up of two items. £396k of this pressure relates to the impact of transition to UC as the shift of working age claimants reduces the overall subsidy the council receives from the recovery of HB overpayments. The balance of the pressure relates to specified exempt accommodation where the council receives a reduced subsidy. The amount of specified exempt accommodation has increased significantly and this now needs to be reflected in the budget. This now also includes an allowance for inflation.	MEDIUM	54,027	579	0	0	0	DEMAND: NEW	BUSINESS CASE
Robert Middleton	Finance & Resources	New	P23-15N	New	Steve Richardson	Self Insurance Fund - the council operates a self insurance fund to reduce the cost of annual premiums. Currently an annual contribution of £200k is made from the General Fund. Based on recent claims history this needs to be increased to reflect the level of losses being incurred.	MEDIUM	200	300	300	0	0	DEMAND: NEW	BUSINESS CASE
Robert Middleton	Finance & Resources	New	P23-33N	New	Steve Richardson	External Audit Fees - Following a consultation undertaken by Public Sector Audit Appointments (PSAA), there is to be a total re-set of audit fees with an anticipated increase in the Audit scale fee for 2023/24 of 150% giving a pressure of £203k.	LOW	152	203	0	0	0	DEMAND: NEW	BUSINESS CASE
Robert Middleton	ALL	New	P23-36N	New	Steve Richardson	Business Rates - Estimated Impact of the 2023 revaluation on MKCC properties (note this is based on the draft list which will not be finalised until March 2023).	LOW		157	0	0	0	DEMAND: NEW	BUSINESS CASE
Total Finance & Resources									1,239	300	0	0		

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Paul Trendall	Customer & Community	New	P23-34N	New	Sarah Gonsalves	Contact Centre replacement - The current contact centre solution (Mitel) is a legacy technology not compatible with new Teams calling solution being implemented by IT. The current contact centre contract with Mitel ends at the start of the financial year 2023. We have also seen increased demand via phones (demand has doubled to around 20,000 calls a month) and so replacement of the current contract is expected to be more expensive	LOW	0	30	0	0	0	DEMAND: NEW	BUSINESS CASE
Total Customer & Community									30	0	0	0		
Total Chief Executive, Social Care and Housing									11,520	3,841	3,063	3,152		
Robert Middleton	Law & Governance	New	P23-16N	New	Sharon Bridglalsingh	Legal Testing and Court Costs - to rebase the budget in line with current costs demands of 75-80 Care Proceedings per annum	LOW	160	90	0	0	0	DEMAND: NEW	BUSINESS CASE
Robert Middleton	Law & Governance	New	P23-17N	New	Sharon Bridglalsingh	Children's social care legal services budget - to rebase the budget in line with demand and best practice.	LOW	1,954	432	0	0	0	DEMAND: NEW	BUSINESS CASE
Total Law & Governance									522	0	0	0		
Pete Marland	Planning and Placemaking	New	P23-18N	New	Paul Thomas	Planning income - anticipated shortfall of planning income against previously forecasted amounts.	MEDIUM	2,480	600	0	-150	-450	DEMAND: EXCEPTIONAL	BUSINESS CASE
Total Planning & Placemaking									600	0	-150	-450		
Paul Trendall (interim)	Environment and Property	Revision	P23-19L	P22-17L	Stuart Proffitt	Demographic Growth (Waste) - the standard year on year calculation based on city growth and increased demand for waste services (refuse collection, food and garden waste collection and disposal, street cleansing, and household waste sites). This reflects the additional new homes projections over the next 4 years ranging from 1.86% to 2.41%.	LOW	20,713	493	542	449	550	DEMOGRAPHY	FINANCIAL Model
Paul Trendall (interim)	Environment and Property	Revision	P23-20L	P22-18L	Stuart Proffitt	Demographic Growth (Landscape) - the standard year on year calculation based on city growth and increased demand for landscape and maintenance services. Based on between 1.86% and 2.41% growth in landscape adopted areas, from new homes projections.	LOW	2,887	69	76	63	78	DEMOGRAPHY	FINANCIAL Model
Paul Trendall (interim)	Environment and Property	Revision	P23-21L	P22-19L	Stuart Proffitt	Demographic Growth (Highways) - the standard year on year calculation based on city growth and increased maintenance and service requirements for highways, street lighting and winter maintenance. Based on 2% growth in adopted highway per annum.	LOW	5,957	119	122	124	126	DEMOGRAPHY	FINANCIAL Model
Total Environment and Property									681	740	636	754		
Total Deputy Chief Executive									1,803	740	486	304		
Total Demand Pressures									13,323	4,581	3,549	3,456		
Other Pressures														
Robert Middleton	Finance & Resources	New	P23-23N	New	Steve Richardson	Azure - A delegated decision was taken to move the councils servers from Northampton to the MS Azure Data Centre. This is initially being funded through New Homes Bonus. Baseline budget funding will be required from 2025/26.	MEDIUM	905	0	0	499	0	POLICY CHOICE	BUSINESS CASE
Robert Middleton	Finance & Resources	New	P23-24N	New	Steve Richardson	Telephone Card Payments System - as part of the procurement of the new income management system the Council needs to purchase additional services to enable card payments to be taken securely and in line with best practice. This function is not currently available with our existing income management system.	LOW	0	24	12	0	0	POLICY CHOICE	BUSINESS CASE
Total Finance & Resources									24	12	499	0		
Total Chief Executive, Social Care and Housing									24	12	499	0		
Pete Marland	Planning & Placemaking	New	P23 -25N	New	Paul Thomas	Planning Academy Continuation - This is to continue the Academy into future years, assuming that the current 3 graduates continue their training and allows for 2 additional apprentices to be taken on in 23-24 and 24-25. This is necessary to take forward the discussions and Memorandum of Understanding we have with the Royal Town Planning Institute.	MEDIUM	200	150	97	-49	-81	POLICY CHOICE	BUSINESS CASE
Pete Marland	Planning & Placemaking	New	P23-26N	New	Paul Thomas	Workforce Improvement - Market Supplements for current Development Management staff to address recruitment issues within the service, and bring pay into line with other Local Authorities. Additionally a new Major Projects Team Leader (with 75% funded by Pre Planning Application (PPA) income) to manage the delivery of the PPA framework and support other Team Leaders in their roles.	MEDIUM	1,049	135	0	0	0	POLICY CHOICE	BUSINESS CASE
Total Planning & Placemaking									285	97	-49	-81		

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Paul Trendall (interim)	Environment and Property	Previously Approved	P23-27L	P22-30N (part)	Stuart Proffitt	Commissioning 2023 - Recycling Income - as part of the overall review of waste provision and contracts, the Materials Recycling Facility (MRF) has been converted to a Waste Transfer Station (WTS) and a new operational contract is in place. This means that the favourable income stream of £0.700m in the MRF contract is lost. This was built in as a pressure in the 2022/23 MTFP. However, the new WTS contract has a new in-built income stream based on the commodity value of the recyclates and there is a saving included on the savings schedule to partially offset this pressure. Refer to saving S23-13N	LOW	-700	700	0	0	0	CONTRACTUAL CHANGE (NEW CONTRACT WITH HIGHER PRICE)	BUSINESS CASE
Paul Trendall (interim)	Environment and Property	Previously Approved	P23-28L	P22-30N (part)	Stuart Proffitt	Commissioning 2023 - Recycling Costs - as noted above, as part of the overall review of waste provision and recycling contracts, the MRF was converted into a WTS and a new operational contract has been implemented. When developing the MTFP for the 2022/23 budget cycle, based on professional advice, a pressure of £0.150m was included to represent the additional operational and waste handling costs for recycled materials. Although this pressure is retained, the new WTS contract has an in-built income for recyclates and there is a saving included on the savings schedule related to this pressure. Refer to saving S23-13N.	LOW	1,090	150	0	0	0	CONTRACTUAL CHANGE (NEW CONTRACT WITH HIGHER PRICE)	BUSINESS CASE
Paul Trendall (interim)	Environment and Property	New	P23-31N	New	Stuart Proffitt	Internal Fleet - as the current internal fleet contract comes to an end, as part of the re-procurement process, an assessment of the number of vehicles required within each service was undertaken. This resulted in the new contract having 22 less vehicles than originally requested by the services. However, due to the significant increase in vehicles prices, the new contract price is greater than the existing budget.	LOW	465	52	0	0	0	CONTRACTUAL CHANGE (NEW CONTRACT WITH HIGHER PRICE)	BUSINESS CASE
Paul Trendall (interim)	Environment and Property	Previously Approved	P23-29L	P22-30N (part)	Stuart Proffitt	Commissioning 2023 New Integrated Contract - estimated additional cost of re-procurement of waste, street cleansing and landscape services. Costs are based on professional advice and will be clarified as the market position is confirmed on conclusion of the tender process in December 2022.	High	23,600	0	0	0	0	CONTRACTUAL CHANGE (NEW CONTRACT WITH HIGHER PRICE)	BUSINESS CASE
Paul Trendall (interim)	Environment and Property	New	P23-35N	New	Stuart Proffitt	New Waste Property - as part of the development of Wolverton as a hub for collective Environment and Waste operations, an executive decision was made on 14 September 2022 to purchase strategic land on Colts Holm Road. This enables us to offer more efficient integrated waste, cleansing and landscape services, increased storage as part of the wheeled bin roll out, as well as freeing up other corporate office sites for asset rationalisation. However, there are running costs associated with these buildings which are estimated to be £0.200m a year. This is fully offset by a £0.200m contract saving, which is listed separately. Refer to saving S23-24N.	MEDIUM	0	200	0	0	0	POLICY CHOICE	BUSINESS CASE
Paul Trendall (interim)	Environment and Property	New	P23-30N	New	Stuart Proffitt	Commercial Property - as a result of strategic property executive decisions to sell Tickford Fields Farm for house building with the associated community amenities, and to swap land (Green Farm) to establish a waste and environmental hub in Old Wolverton (ref P23-35N), there creates a revenue pressure in commercial property income.	LOW	-1,847	70	0	0	0	POLICY CHOICE	BUSINESS CASE
Total Environment and Property									1,172	0	0	0		
Total Deputy Chief Executive									1,457	97	-49	-81		
Total Other Pressures									1,481	109	450	-81		
Grand Total									14,804	4,690	3,999	3,375		

Risk level	Description
HIGH	Very Likely to change and the impact could be significant >£200k in any one year
MEDIUM	Likely to change and impact could be up to but not more than £200k per annum
LOW	Fixed or unlikely to change and impact less than £50k in any one year

Risk Level	2023/24	2024/25	2025/26	2026/27
High	6,507	1,144	1,216	1,257
Medium	5,062	2,794	2,147	1,364
Low	3,235	752	636	754
Total	14,804	4,690	3,999	3,375