

Medium Term Financial Planning 2005-06 and onwards

15 key Issues

The key issues that will shape the Council's finances over the coming three years are set out below. They are a mix of locally generated challenges, aimed at improving services and the financial standing of the Council, to responding to national initiatives, for example, generating efficiencies (Gershon).

Issue	National issues/ implications	Effect on Milton Keynes Council
1. SAP	N/a	Implementation April 2005 - heightened risk in first 6 months of go-live; re-engineering opportunities thereafter
2. HBS	Board and shareholders interest in MKC contract delivering HBS targets	Pressure to reduce costs in MKC; Improving the contract; additional costs
3. Continuous improvement	Part of Best Value and CPA framework	Service planning to produce improvements – issue of better measurement. Plan - CPA 2005 response, improving the Council's debt provision, & pooled budgets.
4. Housing stock – outcome of ballot	N/a	Depends on ballot – either way, considerable workload
5. Medium Term Planning	National push for better planning – see 8	Continued development, especially Y2. Integration of policies, performance and cost Policy development
6. Growth	Plans for MKC for next 10 years. Require national resolution – see 7 & 12 below	Cost exceeds resources – local tie into national effort. Joint Venture - report on projected budget
7. Balance of Funding	Lyons report, end of 2005	Await
8. 3 year settlements	Apply from 2006-07	Consultation paper response March 11 Opportunity for better planning – threat of loss of

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		control
9. CPA 2005 – especially use of resources	Change in judgements - see Lines of Enquiry Whole Govt Accounts	Raises standards – current scores of 4 could become a 2. MKC currently a 3. A lower score will impede the achievement of an improved Corporate score Consultation paper response Feb 18
10. Gershon	Guidelines still developing	£3m assumed in 2006-07 budget – need to deliver. Baseline calc summer. Spend to save and prudential borrowing feature
11. Waste and landfill trading scheme	Fines settled at £150 per ton	Review policies in light of scheme
12. Formula Grant - formula changes from 2006-07	Discussion Jan –July 2005. Reduce cost of Floors? Funding for costs of growth	£3.8m of income to be replaced in 2006-07 [the Rooker money]
13. Schools ring fencing	Effect on other services 2006-07	Not lock into SSR spend, but re-allocate in 2007-08
14. One year Formula Grant fix – will 2005-06 be repeated in 2006-07?	Will 2005-06 £640m be repeated in 2006-07?	If not, difficult 2006-07 budget
15. Revaluation, Council Tax	Effective 2007-08	Local turbulence

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