



Minutes of the meeting of the BUDGET AND RESOURCES SCRUTINY COMMITTEE
held on WEDNESDAY 9 JANUARY AT 7:00 PM

Present: Councillor R Bradburn (Chair),
Councillors Cannon, Darlington, Ganatra (from 8.10 pm), P Geary,
McDonald (substituting for Gilbert), Rankine, C Wilson (from 8.30 pm)
and K Wilson (from 7.45 pm)

Apologies: Councillor Gilbert (Councillor McDonald substituting)
Councillors Ganatra, C Wilson and K Wilson for lateness

Officers: P Simpson (Corporate Director (Resources and Commercial
Development)), S Richardson (Service Director (Finance and
Resources)), A Rulton (Strategic Finance Business Partner),
T Blackburne-Maze (Service Director (Public Realm)), N Hannon (Head
of Environment and Waste), S Hayes (Head of Transport) and
E Richardson (Overview and Scrutiny Officer)

Also Present: Councillor Middleton – Cabinet Member (Resources and Innovation)
Councillor Gowans – Cabinet Member (Public Realm)
and 1 member of the public

BR42 DECLARATIONS OF INTEREST

There were no Declarations of Interest.

The detailed notes on individual reductions and income generation proposals are
included as Annex A of these minutes.

BR43 ADDITIONAL SCHEDULE OF PRESSURES

The Corporate Director (Resources and Commercial Development)
presented a spreadsheet to the Committee of all identified pressures,
setting out an audit trail from initial discussions to inclusion, or not, in the
draft budget. He explained that not every pressure would come forward
for scrutiny as the Finance Team and senior officers weeded out those
pressures which could be managed within existing budgets.

He went on to explain that this was the Administration's budget and as
such, it had been approved and endorsed by the Administration.

The Committee thanked the Corporate Director (Resources and
Commercial Development) for the information as it had been concerned
that, without this additional information, it might not be doing its job
properly.

The Committee then discussed how best to scrutinise the information in
the spreadsheet and agreed that members of the Committee should

review the document over the following week and bring any queries to the next meeting, when half an hour would be set aside for questions and ensure transparency.

RESOLVED –

1. That half an hour at the next meeting be set aside for scrutiny of the additional information on financial pressures provided by the Corporate Director (Resources and Commercial Development and the Finance Team.
2. That the Corporate Director (Resources and Commercial Development and the Finance Team be thanked for supplying the additional information promptly.

BR44

RESOURCES AND CORPORATE CORE

The Committee received a presentation from Councillor Middleton, Cabinet Member for Resources and Innovation, setting out the proposed reductions and income generation plans in his portfolio.

The Committee then scrutinised and commented upon the reductions in relation to Councillor Middleton's portfolio which had been identified during the preparation of the 2019/20 draft budget.

These items would be further considered at the meeting scheduled for 22 January 2019 and any recommendations included in the Committee's report, which would be submitted for consideration by Cabinet on 5 February 2019 as part of the 2019/20 budget setting process.

RESOLVED –

1. That Councillor Middleton, be thanked for discussing the proposed reductions and plans for income generation in his portfolio identified as part of the 2019/20 draft budget preparation process.
2. That officer colleagues attending the meeting be thanked for the support offered to the Cabinet Member during the budget setting process and for the clarification of various issues raised by the Committee.
3. That any recommendations the Committee may have arising from the evidence taken at this meeting be included in the report on its work which will be presented to Cabinet on 5 February 2019.

BR45

PLACE DIRECTORATE: PUBLIC REALM

The Committee received a presentation from Councillor Gowans, Cabinet Member for Public Realm, setting out the proposed reductions and income generation plans in his portfolio.

The Committee then scrutinised and commented upon the reductions and income generation plans in relation to Councillor Gowan's portfolio which had been identified during the preparation of the 2019/20 draft budget.

These items would be further considered at the meeting scheduled for 22 January 2019 and any recommendations included in the Committee's report, which would be submitted for consideration by Cabinet on 5 February 2019 as part of the 2019/20 budget setting process.

RESOLVED –

1. That Councillor Gowans be thanked for discussing the proposed reductions and plans for income generation in his portfolio identified as part of the 2019/20 draft budget preparation process.
2. That officer colleagues attending the meeting be thanked for the support offered to the Cabinet Members during the budget setting process and for the clarification of various issues raised by the Committee.
3. That any recommendations the Committee may have arising from the evidence taken at this meeting be included in the report on its work which will be presented to Cabinet on 5 February 2019.

THE CHAIR CLOSED THE MEETING AT 9:10 PM

Resources Directorate / Corporate Core: 9 January 2019

a) **Resources: Councillor Middleton**

**(Reductions [Resources]: R1 – R9; R40;
Income Generation [Resources]: R26 – R28; R41)**

(Reductions [Corporate Core] R42 – R44)

R1 – Shared (LGSS) Business Model (-£415k)

- Previously agreed – based on a reduced FTE but RM didn't have figures;
- LGSS part of CIPFA review into Northants CC insolvency;
- There would be risks associated with ERP even if Council was not in LGSS;
- Council would still be seeking to reduce back office costs – might seek another multi-agency partnership in the future as they were working well elsewhere.

R2 – Shared (LGSS) Business Model – Revs & Bens (-£155k)

- Sharing staff between LGSS authorities was reducing FTE – again no figures. Also part of CIPFA review;
- Hope to expand into other Revs and Bens authorities in future;
- Committee concerned at reduction in Revs and Bens staff given anticipated, increased workload from introduction of Universal Credit;
- Savings envisaged (25% over 4 years) still to be delivered as cross-authority integration had not yet happened;
- Although use of on-line applications was being encouraged as the cheapest method, other forms of transaction will still be available;

R3 – Procurement of Agency Staff (-£30k)

- Reduction in the use of temporary staff across the Council.

R4 – Ongoing Pensions (-£30k)

- Old accounting issue leftover from re-organisation in 1997.

R5 – Release of Housing Benefit Subsidy Provision (-£100k)

- Accounting adjustment – losses due to local authority error in the payment of benefits much lower than anticipated.

R6 – Corporate Fraud Team (-£25k)

- Ongoing reduction previously agreed.

R7 – Saxon Court Savings (-£200k in 2020/21)

- Re-phased saving on Saxon Court – discussions with MK College to take over the building had not been successful.

R8 – Commercial Service Budget (-£68k)

- Accounting Adjustment.

R9 – Property – Staff Recharges (-£25k)

- Re-alignment of costs to Capital Programme.

R40 – Restructure of Admin Support – Legal & Dem Serv (-£30)

- Saving of 1 FTE due to departmental restructure.

R42 – Reduction in use of Temporary Staff (-£200k)

- Changes to temporary staff contracts – encourage cultural change on the use of temporary staff.

R43 – Review of Customer Service (-£100k)

- Over 100 staff with responsibility for some aspect of Customer Service across the Council with 30 decentralised service points. Plan to streamline and improve services to reduce costs.

R43 – Increased Recharge to HRA (-£44k)

- Corporately agreed savings without a real home.

R26 – Housing Benefit Overpayment Recovery (-£25k)

- Debt recovery investment in FTE to do the job properly;
- There was a high level of housing benefit overpayment for a number of reasons, often because people were in and out of the benefits system on a regular basis and the updating process could not keep up;
- Council's ability to recover debts varied and in the past had been slow to chase up due to lack of staff;

R27 – Horsham DC Revs & Bens (-£2k)

- Ongoing income stream previously agreed

R28 – Commercial Property Rental Income (-£50k)

- Council commercial property rent review – rent returns higher than expected from commercial property.

R41 – Income from Legal Casework (-£80k)

- Charge from Highways for in-house legal services, rather than paying for external lawyers;
- Thought to be an ambitious saving given current capacity in Legal – 5-6 vacancies?
- Council was looking to appoint to all posts soon as it shouldn't be spending money on external legal firms when the work can be done in-house;

- Committee noted that it was difficult to recruit good professionals as Council doesn't pay enough – it's not offering market rates for professional posts;

New Homes Bonus

- Revenue Grant from central government based on number of new homes built in an local authority's area;
- Currently majority of money set aside for Revenue General Fund spending;
- Administration decision in the past to use the funding for Capital Programme;
- Currently MKC receives £6m per year NHB;
- Grant being reduced each year, despite no local reduction in rate of housebuilding as Government has changed way in which the NHB is calculated;
- Is being top-sliced from the Revenue Support Grant;
- 20/21 is last year NHB is likely to be paid;
- Council has been rolling over £2m per year to iron out any expected bumps during 20/21 – expected to be a difficult year for Council.

b) Public Realm: Cllr Gowans

(Reductions: R20 – 25; Income Generation: R34 – R38)

R20/R22 – Street Lighting Upgrade (-£274k)

- Ongoing reduction previously agreed
- Query from a member of the public on whether there would be more local level consultation on roll out of LEDs, style of lights and fittings in conservation areas;
- Councillor Gowans happy to discuss as any local adjustments in conservation areas were unlikely to have a huge impact on the budget. It was not a one-size fits all scenario and local solutions were sought where appropriate;
- -£274k was the indicative saving based on current estimates of energy savings. Costs based on per lantern per output. Council had an SLA with the contractor and should not be paying for energy in respect of any lights which weren't working;
- A draft programme of lighting works would be presented to Cabinet in March. Once approved they would be published on the Council's website in a readable format that the public would understand.

R21 – Developed Landscape Parish Payment (-£15k)

- Ongoing reduction previously agreed.

R23 – Capitalisation of some Bridge and Road Works (-£115k)

- Measure to regularise and ensure consistency in the Capital Programme.

R24 – Removal of Discretionary Bus Concessions (-£25k)

- Council only required to provide older persons' discretionary transport concession after 9.30 am;
- 9.30 am start for the older persons' discretionary transport concession quite common across the country although MKC had not done this before;
- Should reduce by half = -£25k;
- Committee concerned at apparent lack of consultation with bus user groups, Age UK etc. Would recommend suspension until such time as a proper consultation had been carried out;
- Concern that good relations with bus user groups would be soured as have worked well with the Council in the past;
- Reference to "many other authorities" considered unhelpful – numerical / % value would have been better.

R25 – Reduction in Infrastructure Reserve (-£200k)

- Infrastructure reserve reduction – reduction in revenue contribution is possible without impacting on current Capital Programme;
- There was now very little left in the way of works which could be transferred from Revenue to the Capital Programme;
- An annual review of recharges and capital allocations was now carried out to ensure that the current position was accurate;
- The last review had identified anomalies and brought these into line.

R34 – New Resident Parking Schemes (-£7k)

- Not discussed.

R35 – Recharge to Waste Disposal Authorities (-£70k)

- Residents outside Milton Keynes were using local tips and this was a measure to minimise pressure on the Waste Disposal Budget;
- Several schemes for handling this and recharging other local authorities were being considered although a final decision on how this would be managed had not yet been made;
- There were similar schemes already in operation elsewhere in the country and these were also being looked at;
- Council was in discussion with neighbouring local authorities as it believed it was a net importer of household waste. Even with reciprocal agreements to charge MKC for residents who deposit waste out of area, MKC would still make a net positive on any such agreements.
- Pressure on MK tips likely to increase as Buck CC was consulting on closing some its municipal tips which would mean an increase in traffic at MK tips;
- Salden Chase development (Aylesbury Vale DC) on south western edge of MK also likely to have an impact.

R36 – Recharge to HRA for Waste Disposal (-£30k)

- This was a recharge to the HRA for the disposal of fly-tipped waste on HRA land;
- This had been identified as a pressure in the HRA budget;
- Concern as to whether council tenants were paying twice for Public Realm services. This was a challenge that needed to be balanced between the HRA and General Fund, particularly in mixed tenure areas. However, Lakes Estate had an enhanced fly-tipping removal and litter picking service which was funded from the HRA.

R37 – Additional Highway Adoption Income (-£400k)

- Highway adoption land in the Western Expansion area – will be four years before this is back to zero.

R38 – Income from third Party Improvements to Highways (-£130k)

- Description needs work to ensure clarity of understanding.

DRAFT