



Minutes of the meeting of the BUDGET AND RESOURCES SCRUTINY COMMITTEE held on WEDNESDAY 3 OCTOBER 2018 AT 7:00 PM

**Present:** Councillor R Bradburn (Chair),  
Councillors Cannon, Darlington, Ganatra, P Geary, Gilbert, Miles,  
Rankine and C Wilson

**Apologies:** Councillor K Wilson (Councillor Miles substituting)

**Officers:** P Simpson (Corporate Director (Resources and Commercial Development)), S Richardson (Service Director (Finance and Resources)), A Rulton (Strategic Finance Business Partner), M Smith (Strategic Finance Business Partner), D Sharkey (Corporate Director (Place)), T Blackburne-Maze (Service Director (Public Realm)), M Kelleher (Service Director (Housing and Regeneration)), E Nickless (Head of Homelessness Prevention and Housing Access), N Allen (Head Of Regulatory Services), N Sainsbury (Head of Placemaking), E Richardson (Overview and Scrutiny Officer)

**Also Present:** Councillor Marland – Leader of the Council  
Councillor Gowans – Cabinet Member (Public Realm)  
Councillor Legg – Cabinet Member (Customer Services)  
Councillor Long – Cabinet Member (Housing and Regeneration)  
Councillor Priestley – Cabinet Member (Economy, Growth and Community Partnership) and 9 members of the public

**BR16            DECLARATIONS OF INTEREST**

There were no Declarations of Interest.

The detailed notes on individual pressures are included as Annex A of these minutes.

**BR17            THE POLITICAL CONTEXT**

The Committee received a brief introduction to the Administration's proposals for the 2019/20 budget from Councillor Marland, Leader of the Council, in which he outlined the political context for the budget drafting process.

Councillor Marland reminded the Committee that despite the volume of cuts the Council had made since 2011, it had still managed to agree and deliver a balanced budget each year and that the Council was still delivering £250m worth of services to the residents of Milton Keynes. He stated that austerity was not yet over but it was becoming increasingly challenging to get over to the public that austerity conditions

still prevailed and that the Council still had to make some difficult decisions as to how it spent its money.

He went on to explain that this year the Cabinet had refreshed its approach to developing the budget from “Smarter, Sustainable, Different” to “Thinking Differently, Being Smarter, Working Together”. The proposals in the 2019/20 budget were designed to deliver the priorities set out in the Council Plan in order to make Milton Keynes a good place to live, work and visit.

His final point was that doing the basics was underrated and that not getting things right first time would cost the Council both time and money. Producing a balanced budget early gave officer colleagues time to work out the best way in which to deliver the Council’s services.

RESOLVED –

1. That Councillor Marland be thanked for his attendance at the meeting and for sharing his views with the Committee.
2. That Councillor Marland be invited to attend the meeting on 3 January 2019 to further update the Committee when it starts detailed scrutiny of the 2019/20 draft savings proposals.

**BR18**

**PLACE DIRECTORATE: HOUSING AND REGENERATION**

The Committee received a presentation from Councillor Long, Cabinet Member for Housing and Regeneration, then scrutinised and commented upon the financial pressures in relation to the provision of services for the tenants of Milton Keynes Council which had been identified during preparation of the 2019/20 draft budget.

These pressures would be further considered at the meeting scheduled for 23 October 2018 and any recommendations included in the Committee’s report, which would be submitted for consideration by Cabinet on 6 November 2018 as part of the 2019/20 budget setting process.

The Committee welcomed the information that, in her closing speech to the Conservative Party conference, the Prime Minister had confirmed that the Government would be lifting the cap on local authority borrowing against assets in their Housing Revenue Accounts (HRA) to facilitate the building of more council housing. Councillor Long commented that this was good news and of benefit to Milton Keynes but would need careful planning.

**BR19**

**PLACE DIRECTORATE: GROWTH, ECONOMY AND CULTURE**

The Committee received presentations from Councillor Priestley, Cabinet Member for Growth, Economy and Community Partnership, Councillor Legg, Cabinet Member for Customer Service and Councillor Marland on the financial pressures in their portfolios which had been identified during preparation of the 2019/20 draft budget.

The Committee then scrutinised, commented upon and discussed with the portfolio holders the pressures in relation to the provision of services by the Council relating to Growth, Economy and Culture.

These pressures would be further considered at the meeting scheduled for 23 October 2018 and any recommendations included in the Committee's report, which would be submitted for consideration by Cabinet on 6 November 2018 as part of the 2019/20 budget setting process.

## **BR 20**

### **PLACE DIRECTORATE: PUBLIC REALM**

The Committee received presentations from Councillor Gowans, Cabinet Member for Public Realm, and Councillor Legg, Cabinet Member for Customer Service, then scrutinised and commented upon the financial pressures in relation to the provision of Public Realm services by the Council which had been identified during preparation of the 2019/20 draft budget.

These pressures would be further considered at the meeting scheduled for 23 October 2018 and any recommendations included in the Committee's report, which would be submitted for consideration by Cabinet on 6 November 2018 as part of the 2019/20 budget setting process.

#### **RESOLVED –**

1. That Cabinet Members, Councillors Gowans, Legg, Long and Priestly, be thanked for discussing the pressures in their portfolios 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 6 November 2018.

**THE CHAIR CLOSED THE MEETING AT 9:18 PM**

**Place Directorate: 3 October 2018**

**a) Housing and Regeneration: Councillor Long (P14 – P18)**

**P14** – Enhanced Staffing Structure (£121k)

This was a corporately approved adjustment to provide an enhanced staffing structure for General Fund Housing services to cover the Homelessness Recovery Plan and the Council's obligations under the Homelessness Reduction Act. Staffing costs would be included in base budgets from 2020/21.

**P15** – Travellers (£65k)

Funding for a Gypsy and Traveller Co-ordination resource to develop a Travellers' Strategy and manage the two authorised sites in Milton Keynes.

The Committee queried why £65k was shown as going into the budget for 2019/20 but out again in 2021/22.

Committee was advised that modelling was being carried out to see if the £65k could be found from future income streams, but this was not yet guaranteed.

Milton Keynes did not yet have enough permanent pitches for Travellers, neither did it have a proper transit site for Travellers who were just passing through and the Council needed to resolve this shortfall in provision.

**P16** – Prevention Fund (£400k)

Homelessness Prevention Fund - this was a new pressure over and above the £75k already in the budget due to the implementation of the Homelessness Reduction Act. Preventing homelessness happening in the first place was more cost effective than using temporary accommodation (TA) and it was hoped that this approach would eventually produce savings. Needed to be offset against a possible increase in demand as the new act had opened up the service to more people and there was a danger of using TA as a first, rather than a last, resort for those in housing need.

**P17** – Homelessness Reduction Act (£280k)

Homelessness Prevention Staffing – there was an increased workload due to the Homelessness Reduction Act widening the eligibility for the Council's Homelessness Prevention Service; the requirement was for 6 additional Homelessness Prevention Officers and two Affordability Officers. It was hoped to offset the increased staffing costs against the savings generated by the reduction in the use of TA.

As in **P16** above, there was a danger that an insufficient staff resource could lead to an increase in costs as effective homelessness prevention work would not be carried out.

**P18** – Choice Based Lettings (£80k)

Cost of implementing and running the Choice Based Lettings scheme. This work was not essential for 2019/20 and could be deferred to 2020/21 if necessary.

b) **Economy, Growth and Culture: Cllr Priestley / Cllr Legg / Cllr Marland (P19 – P23 and OP4 & OP5)**

**P19** - Land Charges Nationalisation (£200k)

The Council was looking to mitigate the loss of income with other commercial activities, although the opportunity to do this could be finite.

**P20** – Libraries (£122k in 2020/21)

Previously identified savings were now undeliverable across the library service. The Council was looking at various proposals for alternative uses for libraries and different opening options alongside their traditional lending function; C21st libraries were about more than just books and could become hubs for many other activities. The Council was looking for greater community involvement in the running and delivery of services from libraries.

The £122k predicted for 2020/21 was the cost of keeping libraries running at their current level.

The Committee was concerned that the ideas seemed a bit too preliminary with no indication of possible future pressures and that the business case did not give sufficient detail. It suggested that the portfolio holder needed to understand the framework and parameters of the voluntary community; parish councils should also be included in any discussions on the future of libraries.

The Committee was advised that this was a scoping exercise at the moment. A restructure of how libraries operated was a possibility but there was no time line for this. Discussions on the future involvement of voluntary/local groups in the running of libraries were scheduled to start at the end of October, beginning of November.

The portfolio holder advised that there was a more detailed business case available and that she would send the Committee a copy.

The Committee asked to be kept informed of progress; the Corporate Director (Place) advised that as and when business cases were updated they would be circulated to the Committee.

**P21** – Cultural Savings and Income Targets Unrealisable (£64k)

An income target for 2017/18 had been placed on a small team (2.8 FTE) which had no capacity to bring in income. Continued overspends in this area were causing various issues, including the non-delivery of other business, non-maintenance of sites and non-delivery against the Council's strategies.

**P22** – Economic Development Income Target Unrealisable (£25k)

This was an historic situation inherited by the current portfolio holder and was 3-4 years old. A target had been given to the Economic Development Team to raise income by offering its expertise to other local authorities and charging for it, but

this had not happened. The shortfall had been met in previous years by an offset from reserves and S106 funding but this was no longer possible. The Council had not yet been able to identify any mitigation against this pressure and needed to look closely at what happened next year.

### **P23** - Destination MK Contributions (£20k)

Milton Keynes had to be at the forefront of being open for business post “Brexit”, therefore Destination MK needed support to operate effectively, and might even need some enhanced support in future years.

Destination MK was a membership organisation and received support from all the other members as well as the Council, including services ‘in kind’, not just financial support. However, it was important for the Council to continue this support as it meant that it was eligible to apply for grants from various awarding bodies in order to support other projects.

### **OP4**– European City of Sport (£66k)

This was an opportunity to use sport as a platform to bring the community together. An examination of the potential returns indicated that they would more than cover the initial investment.

The Committee was concerned at the possibility of cost over-runs, particularly in the light of the comment about Stoke spending £3m. The Committee enquired whether costs should be re-allocated to support smaller local events, rather than supporting big national events in order to reduce potential cost over-run?

The portfolio holder advised that project management, bidding and risk assessment had all been costed so was not sure where the over-run would be. This was a one-off event and the Council was already bringing in a range of partners at the grass roots level. There was always the potential for smaller, local events to over-run on costs but she was encouraged by the number of high level partners already becoming involved.

The Committee was concerned as to whether this was value for money and was advised that the unique selling point (USP) was not the brand but what it could attract into the local economy. Coventry had been designated European City of Sport for 2019 and within 3-4 months of the announcement had attracted £1.4m inward investment in response to the city’s initial investment of £4k.

The Council would be doing a lot of the work in-house, with the gravitas associated with the brand hopefully generating the anticipated inward investment.

The Committee suggested that the Council needed to be aware that investment figures pre- and post-Brexit might be very different and that the Council should be mindful of this when looking at its medium and long term budget proposals. There could also be a drop in anticipated visitor numbers post–Brexit which should also be factored in.

The Cabinet member advised that Coventry was already planning for the impact of Brexit, working to develop other strands under the City of Sport umbrella, such as conferences and seminars; they were not just relying on general hospitality services and tourism.

**OP5 - UEFA Women's Football Championships 2021 (£75k in 2020/21)**

This could be seen as an Invest to Save measure as Milton Keynes' involvement in the Rugby World Cup in 2015 had been very successful.

Despite the uncertainty as to the future once the United Kingdom leaves the European Union, the prestige of the UEFA brand was such that inward investment to support the event, as well as sufficient visitors, would still be attracted to Milton Keynes.

The Committee also suggested that both these events could be an opportunity to promote well-being and getting children and young people involved in sport participation. Cabinet Member agreed.

**c) Public Realm – Cllr Gowans / Cllr Legg (P24 – P23 & OP6 – OP10)**

**P24 & P25 – Waste Services (£255k) and Landscape Maintenance (£28k)**

These were the annual demographic increases to keep service delivery in line with the growth of the local population.

**P24** – Domestic waste collection services were based on number of properties, rather than people, therefore the annual increase was easier to quantify and cost than those for highway or landscape maintenance.

**P25** – Committee enquired whether this overlapped with **P32** and were advised that **P25** specifically related to newly developed areas once they were handed over from the developer. These were generally supported by a lump sum capital amount from developers for their future maintenance.

The Committee commented that The Parks Trust invested any such sums it received from developers and used the income from the investment to fund on-going landscape maintenance.

**P26 – Highways and Street Lighting Maintenance (£76k in 2020/21)**

No new pressure for 2019/20. Small pressure identified for 2020/21 onwards.

**P27 – Medical Examiner – (£0)**

This would be deleted from the schedule as the Government had confirmed that the costs associated with the provision of Medical Examiner services would be funded by the NHS and not local authorities.

**P28 – Decline in Car Parking Income (£200k)**

This was due to a number of factors outside the control of the Council. Pressure had only been forecast up to 2021/22 as it was not clear what the future position would be. Work was being done to monitor car park usage in Central Milton Keynes; the new technology being invested in by the Council would help it to better assess which areas were not being used as much and then assess why.

The Committee expressed surprise that the Council did not know which areas were not being parked on and enquired whether there would be an opportunity to re-allocate unused car parks for housing development as there was a need to maximise the potential of unused land.

The Committee reminded the Public Realm Team of the work done and recommendations made last year by the Parking Income Task and Finish Group.

**P30** – Utility Rate Rebate (£50k)

This was an accounting error which had recurred since 2015 and needed to be corrected.

**P31** – Reduction in Crematorium Income (£30k)

A new crematorium was opening in the Aylesbury Vale Local Authority area (at Bierton) which could have a negative effect on the income from the Crownhill Crematorium. It was hoped that funeral directors would continue to use Crownhill, which was seen as the premier crematorium in the area, but plans had to be made to allow for a possible drop in income. Figures quoted were only a projection at this stage and would be readjusted after the first year once there was a clearer picture of the effect. The Committee noted that the number of cremations in Milton Keynes was going up, although this was due to the number of out of area funeral directors using Crownhill, rather than any local demographic pressures.

**P32** – Budget Realignment (£200k)

Re-alignment of the budget as previous historic landscaping budget savings proposals (2015/16 & 2016/17) had proved undeliverable.

A tree survey was being carried out to identify high risk trees.

**P33** – Residual Waste Treatment Facility (£1,347k)

Once the plant was up and running properly there would be some income. The estimate of how much and how soon it would be available had probably been too optimistic when plans were first developed.

**OP6** – Mobility Delivery Plan (£100k)

Resources to pump prime the implementation of the new Mobility Delivery Plan.

**OP7** – Highways Commissioning (£300k)

Resources for delivering highways commissioning cycle approach to design future service when current contract ends.

**OP8** – Waste Commissioning (£100k)

Resources for delivering environment and waste commissioning cycle approach to design future service when current contract ends.

Waste collection was more than just one contract, but there had been a lack of detailed commissioning in the past

**OP7 & OP8** – Committee recommended that growth needed to be built into both these pressures so that the Council was not surprised at a future date as per **P24, P25, P26** above.

**OP10** – Bracknell House (£44k)

Operational costs of continuing to use Bracknell House in Bletchley for wedding ceremonies. The Committee queried why this was a one-off pressure and not built into the base budget. Advised the costs were for one year only whilst the Council discussed the building's potential with the local community and what it could be used for in future.

A structural survey had also been carried out although Council had not yet received the results. Any works needed as a result of the survey would be part of the Capital Programme and both cost and timescale were still to be worked out but it was hoped this would be by the end of this financial year. The extent and nature of any remedial works to the building may have an effect on its future use.

DRAFT