

Minutes of the meeting of the BUDGET SCRUTINY COMMITTEE held on TUESDAY 13 MARCH 2018 at 7.00 PM

Present: Councillors R Bradburn (Chair), Cannon, Crooks, Geaney, P Geary, Khan and K Wilson

Officers: P Simpson (Corporate Director (Resources and Commercial Development)), S Richardson (Service Director (Finance and Resources)), A Rulton (Strategic Finance Business Partner), R Bates (Head of Service (Revenue and Benefits)), M Ashton (Business Services, Systems and Change Director), S Evans (Infrastructure Policy and Programme Manager), E Richardson (Overview and Scrutiny Officer)

Also Present: Councillor Miles and 1 member of the public

Apologies: Councillors Bald and Ganatra

BS37 MINUTES

RESOLVED –

That the Minutes of the meetings held on 12 December 2017, 3 January, 9 January, 16 January and 23 January 2018 be agreed and signed by the Chair as a correct record.

BS38 QUESTION FROM THE PUBLIC RE CAPITAL RECEIPTS

Mr Moutrie, a resident of Stony Stratford, addressed the Committee in order to raise his concerns about how anticipated, future Capital Receipts from the sale of Council owned land were accounted for in the current Medium Term Financial Plan. Mr Moutrie's statement and question are attached as Annex A to these Minutes.

The Service Director (Finance and Resources) confirmed that he had been in correspondence with Mr Moutrie in order to explain the Council's current approach to accounting for future Capital Receipts, which were an unknown value, although an estimate could be posited. He went on to explain that the Council's Local Investment Plan was not a budget document and that figures in it were only advisory. There was also a need for a certain amount of financial confidentiality in these matters until any sales of land were completed satisfactorily.

The Chair confirmed that an in-depth scrutiny of both the Council's Capital Programme and Local Investment Plan were being scheduled as part of the Committee's 2018/19 Work Programme; any meetings would be open to the public and that Mr Moutrie would be welcome to attend.

Mr Moutrie thanked the Committee for their time and for listening to his concerns.

BS39 BENEFITS SERVICE UPDATE

The Committee received a presentation from the Council's Head of Service (Revenue & Benefits) setting out the history of the recent problems with the Benefits Service; the volume of demand, including historic data, the current position and the anticipated future demand; the

challenge of limited resources; the agreed improvement plan and progress made to date against the plan and the possible impact of Universal Credit once this was operational in Milton Keynes.

The Committee then discussed the problems the Benefits Service had faced in the past and the progress of the improvement plan with the Head of Service (Revenue and Benefits). In response to questions, the Committee noted that:

- (a) Forecasting demand for the Benefits service was very difficult to do, with the variability being significantly different from week to week. There was no such thing as 'normal demand';
- (b) The Key Performance Indicators (KPIs) currently in use were not the best indicators of the Service's performance, but these were the ones on which the Government expected local authorities to report. At present none of the KPIs measured customer satisfaction but there were plans to build this into future reporting mechanisms;
- (c) The Service received approximately 2-300 new claims per week. If all the necessary information was available a new housing benefit claim could be processed in one day, although the first payment would still be made 4 weeks in arrears;
- (d) In addition to new claims, the Service received and processed about 3,000 documents per week. Managers were discussing what the actual processing target should be. The current target of 17 days was an historical figure and was probably no longer realistic;
- (e) Much of the processing was now done electronically, with a lot of the required information from clients also being submitted electronically;
- (f) The Service employed a Liaison Officer who worked with other agencies to "gateway" claimants into the Council;
- (g) The bad debt provision on Council Tax was 2%, and the Council went through several processes to try and recover the money before issuing a court summons. Debt write-off depended on circumstances, with each case being considered on its merits. In cases of "can pay but won't pay" the Council would take residents to court, but in cases where there were no financial assets to call upon, then the debt could be written off more quickly;
- (h) Residents were always encouraged to contact Revenue and Benefits sooner, rather than later if they were having difficulty paying their Council Tax as various forms of assistance were available.

The Committee sought reassurance from the Head of Service (Revenues and Benefits) that all the necessary assistance was in place to help those who were vulnerable because of learning difficulties, age or infirmity. He assured the Committee that the Service was doing all it could to help the vulnerable, including an emergency fast track service for those whose homes might be at risk. He also asked councillors to report any problems with the receipt and payment of benefits that they came across through their casework to the Benefits Service as soon as

possible, as the sooner staff were aware of a problem the sooner it could be investigated and resolved.

Mr Bates also reported that he was trying to build up resilience in the service to allow for staff absence, sickness and leave, as well as regular legislative changes as this saved money later. The Service was working hard to achieve a higher level of consistency of performance and service delivery over the year.

RESOLVED –

1. That the Head of Service (Revenue and Benefits) be thanked for his full and in-depth update on the progress being made by the Benefits Section to improve service delivery.
2. That the Head of Service (Revenue and Benefits) be requested to bring a further progress report to the September (18/09/18) meeting of the Budget Scrutiny Committee.

BS40

RESIDUAL WASTE TREATMENT FACILITY (RWTF)

At a Delegated Decision meeting held on 22 February 2018 approval was given for the Council to proceed and to vary the contract for the Residual Waste Treatment Facility. The Cabinet member for Resources and Innovation authorised the Corporate Director Place, in consultation with the Corporate Director Resources and Commercial Development, to agree, finalise and enter into a Deed of Variation and any other necessary formal documents to effect the agreed position.

The proposed variation to the contract secured Service Commencement at the Residual Waste Treatment Facility from 14 March 2018 and triggered the payment of the £129,162,409.59 capital sum, with the provision of a £10.524m retention bond.

The proposed decision to sign a contract Deed of Variation had been subject to pre-decision scrutiny at a special meeting of the Scrutiny Management Committee immediately prior to the Delegated Decision meeting. The Scrutiny Management Committee had recommended that the Deed of Variation be signed.

The projected savings from the RWTF in the draft 2018/19 budget were based on a zero gate fee for waste from Milton Keynes. There was an income share from third party waste above £9.4m, with the first £8.65m going to Amey and £750k to the Council. Anything over and above that would be split 50-50.

£1.3m income from waste disposal had been included in the 2018/19 budget which would be at risk if Amey were not able to sell on spare capacity. This sum could also be affected by market pricing on the resale of recyclables.

RESOLVED –

1. That the Budget Scrutiny Committee supports the Scrutiny Management Committee's resolution that the Cabinet Member for Resources and Innovation be encouraged to request officer colleagues to undertake a "lessons learned" exercise on how the

Residual Waste Treatment Facility contract had been planned, developed and operated.

2. That an update on the operation and financial performance of the Residual Waste Treatment Facility be brought to the September (18/09/18) meeting of the Budget Scrutiny Committee.
3. That D Proctor and P Waller be thanked for facilitating the visit by some members of the Budget Scrutiny Committee to the Residual Waste Treatment Facility on Monday 12 March. Those who attended had found the visit very interesting and worthwhile.

BS41

ALLOCATION AND USE OF S106 MONEY

The Briefing Note on the Allocation and Use of s106 Money was presented by Sarah Evans, the Council's Infrastructure and Policy Manager. In response to questions the Committee noted that:

- (a) Although timescales for the receipt and processing of s106 money were monitored regularly, the Council was moving towards a more robust system, with the Planning Service taking advice from Internal Audit on the best way to achieve this;
- (b) The aim was to have a process that was more visible, open, transparent and searchable;
- (c) A similar approach would be taken to the management of the Community Infrastructure Tariff development funding; the Council proposed the introduction of a Local Infrastructure Tariff which would provide a programmed approach;
- (d) A revised Planning Obligations Supplementary Planning Document covering the use of s106 and Community Infrastructure Tariff money had been adopted by Cabinet at its meeting on 6 March 2018. Although the new scheme would not be operational until 1 September 2018, the new formulae for calculating funding would be publicised in advance of the 'go live';
- (e) The Planning Obligations Team held the s106 budget, working with colleagues in Finance to manage the money effectively;
- (f) There needed to be more forward management of the s106 allocations to prioritise infrastructure requirements. This would be a matrix approach based on the delivery of new homes, although the detail still had to be worked up.

The Committee expressed its concern about, what from some members' experience, they considered was a lack of consultation with parish and town councils on the allocation of s106 to fund local projects. The Committee was also concerned as to whether or not the Council had sufficient experienced staff to manage the s106 money.

The Infrastructure and Policy Manager agreed that dialogue with the parish and town councils needed to improve and that a protocol for consulting with them was being developed. With regard to staffing, she explained that currently there was a reliance on Project Managers requesting the release of s106 funds and whether this happened on time depended on their capacity to do this work. She needed to work out

what staffing resources were required to deliver the relevant funding to trigger points and develop a management programme.

RESOLVED –

1. That the Infrastructure Policy and Programme Manager be thanked for her attendance at the meeting, her explanation of the current level of s106 funds held by the Council and her contribution to the Committee's consideration of this item.
2. That the Cabinet Members for Resources & Innovation and Customer Services be requested to ensure that the s106 funds held by the Council are much more actively managed.
3. That a robust mechanism is put in place to advise Council Project Managers, other officers and relevant groups who might be able to benefit from the allocation of S106 funds, that such funding is available and how to access it.
4. That the proposed review of the mechanism for s106 and the Community Infrastructure Levy be expedited as soon as practicable.
5. That where appropriate, ward councillors and parish councils be fully consulted about the allocation of s106 funds.
6. That any significant developments and improvements to the management and allocation of s106 be reported to the Budget Scrutiny Committee as and when they occur.
7. That a copy of the relevant Planning Obligations Supplementary Planning Document be circulated to the Budget Scrutiny Committee.

BS42

PROVISIONAL 2018/9 WORK PROGRAMME

The Committee received and noted the provisional 2018/19 Work Programme. Future consideration of the Graffiti Removal Programme was deleted as this had been reinstated into the 2018/19 budget. An item to explore the Council's relationship with the Parks Trust and the future funding of landscape works was suggested for inclusion in the Work Programme.

RESOLVED –

1. That the item requesting an update on the impact of a proposed reduction in graffiti removal be deleted as this matter has now been dealt with.
2. That the Council's relationship with the Parks Trust and the future funding of landscape works be added to the 2018/19 Work Programme.
3. That subject to the above changes, the Provisional 2018/19 Work Programme be received and noted.

THE CHAIR CLOSED THE MEETING AT 09.30 PM

BS38

QUESTION FROM THE PUBLIC RE CAPITAL RECEIPTS

Question March 13, 2018

Good evening. My name is Michael Moutrie, I am a resident of Stony Stratford. I would like to ask you about Capital Receipts from land sales and I understand that I have up to four minutes.

You may be aware that the Council owns a significant amount of valuable land that it is committed to selling over the next ten to fifteen years. This comprises over 100ha in the Western Expansion Area; over 100ha in Central Milton Keynes including 30ha in Campbell Park; and several hundred hectares throughout the rest of the City.

Your latest Statement of Accounts values your land and buildings at £435 million and your 2009 Capital Strategy predicted an income of about £300 million from the sale of land.

However the Council's published financial plans such as the Medium Term Financial Plan do not include anticipated Capital Receipts from the sales of this land. For example: table 12 in the Medium Term Plan shows total Capital Receipts after April 2019 under two million pounds. Some of us might expect to see a few hundred million?

The omission is surprising: previous Local Investment Plans show programmes for the development of this land and the current Five Year Housing Land Supply relies on some of it.

What do you think? Is this in accordance with the Statutory Guidance such as that of March 2016? More importantly: what is the Council's realistic financial expectation?

I see that in item 7 you are thinking about an in depth look at the Capital Programme and an examination of the Local Investment Plan so I wonder whether you might include consideration of the relationship between this land, the expected Capital Receipts from its sale and its inclusion in Council Budgets in this work on items 7a and 7b?

Thank you. And if you would like any further details on anything that I have said then I would be happy to try to provide them.



Minutes of the special meeting of the BUDGET AND RESOURCES SCRUTINY COMMITTEE held on WEDNESDAY 16 MAY 2018

Present: Councillors Akter, R Bradburn, Cannon, Ganatra, Gilbert, P Geary, Rankine, C Wilson and K Wilson

Also Present: Councillors Alexander, Baines, Bint, Brackenbury, M Bradburn, Brown, Brunning, Buckley, Carr, Clancy, Crooks, Dransfield, Exon, Ferrans, Geaney, A Geary, Gowans, Green, D Hopkins, V Hopkins, Hosking, Jenkins, Khan, Legg, Long, Marland, McCall, McLean, McPake, Marklew, Middleton, Miles, Minns, Morris, Morla, Nolan, O'Neill, Patey-Smith, Petchey, Priestley, Reilly, Small, Wales, Walker, Wallis, Webb and Williams,

BR01 ELECTION OF CHAIR

RESOLVED -

That Councillor R Bradburn be elected Chair of the Budget and Resources Scrutiny Committee for the Council Year 2018/19.

BR02 APPOINTMENT OF VICE-CHAIRS

RESOLVED -

That Councillors P Geary and C Wilson be appointed Vice-Chairs of the Budget and Resources Scrutiny Committee for the Council Year 2018/19.