

Response to Budget Scrutiny Recommendations

I would like to thank the Budget Scrutiny Committee for the hours they have put into this review.

I have set out our initial comments.

Procedural:

1. That more thought be given to entries in the column headed "Service Delivery Impact". In line with the Administration's approach of 'Smarter, Sustainable, Different' to budget issues, the Committee would like to see, where appropriate "Service Improvement" included as a possible, positive impact of budget proposals.

Response:

Agreed

2. That where a proposal is being brought forward from the previous year, care is given to the wording to ensure that it remains relevant and if necessary, amended so that it reflects the most up to date position in relation to that particular proposal.

Response:

Agreed

Cross-cutting Themes:

3. That where the Budget Scrutiny Committee has identified instances of best practice in mitigating and minimising the impact of budget pressures and reductions on service users, the Cabinet be requested to ensure details are shared across the Council so that other service groups can learn from the experience of colleagues.

Response:

Agreed

4. That the Committee remains concerned at the level of two-way communication concerning budgetary matters between some of the Council's Service Groups and service users. There were instances when the Committee was not convinced that service users had been adequately advised of changes to funding they received from the Council or given a chance to comment on the changes. Evidence of notification was not clear in the budget papers presented to the Committee nor were Portfolio holders or officer colleagues able to readily supply confirmation when challenged to do so in meetings.

The Committee therefore seeks reassurance that measures will be put in place to facilitate a two way communication between the Council and groups and organisations affected by reductions in Council funding, enabling them to find ways of maintaining their viability in the future.

Response:

The Cabinet would want to ensure that effective and timely communication is in place with all of our stakeholders when contemplating changes to services or funding levels. CLT will ensure that this takes place.

5. That the possibility be explored of other bodies, such as parish councils and other appropriate partners, undertaking services tailored to local needs on behalf of the Council.

Response:

This is an approach already endorsed by Cabinet and we will continue to work with a range of bodies to ensure that the outcomes our residents need and deserve are protected as far as possible and that every opportunity to localise service delivery where it is practical and makes financial sense is taken forward.

Service Areas:

Resources

6. That although the Committee welcomes the news that the level of the funds in the Council's Welfare Discretionary Scheme could be reduced to meet a lower than anticipated demand, it would like to see the use of the fund monitored regularly to ensure that the reserve, if it is used, does not fall below a prudent level (R16).

Response:

Agreed this fund as with all other budgets and reserves will be monitored regularly through the year and an update provided to Councillors on a quarterly basis through the regular budget monitoring reporting to Cabinet.

7. That the Committee welcomes the information that a further £3.9m has been found following a re-examination of the Council's debt financing position. However, it regrets that this money had not been identified in time to be included in the publication of the original budget papers in November 2017.

Response:

The draft Cabinet report reflects this change in full. The schedule did not include reference to £3.0m of this adjustment and this will be adjusted in the final budget report.

8. That the Committee is concerned at the continued poor performance of the Benefits Section and recommends that the necessary measures such as local market supplements on salaries, a proper training programme and clear career progression opportunities are put in place to ensure that the Council can attract the right calibre of staff to the current vacancies in the section.

Response:

The current establishment has now been fully recruited to. Further external processing resources are due to start processing remotely from 1 February 2018 and together with the three separate processing teams within the service it is expected that the current backlog will be fully processed by the 28 February. A full training programme is already in place for both existing and new staff. Due to the complexity of housing benefits it takes up to 1 year before a new member of staff is fully trained across all aspects of the work.

Adult Social Care and Health & Children and Families

9. That the Committee commends the approach taken by the relevant Cabinet Members and staff of the People Directorate in using innovative thinking and the development of new ways of working in order to minimise the effect of budget reductions on their service users.
10. That the Committee welcomes the information that there are no plans to close Children's Centres and applauds the innovative work being done by the Centres. However, it would like to see proposals for the re-investment in the service of some of the savings being made so that the Centres are in a position to increase their offer to local families and other users.

Response:

We are proud of our record on supporting our children's centre network and in this budget we are not making the large cuts seen elsewhere. We are not in a position to accept this recommendation but will be working to see if the distribution of resources, including the redeployment of workers properly reflects need. Following the committee's scrutiny, we will also be looking again at our volunteer development programme to see how we can increase our use of volunteers to increase the local offer in centres.

11. That the mutually agreed approach between the Council and MIND to develop a new model for the provision of a community counselling service be monitored during its first year of operation and a progress report be presented to the Committee as part of next year's budget challenge process so that the model can be further refined at this point if necessary **(R34)**.

Response:

Agreed

Growth, Economy and Culture

12. That the Committee commends the collaborative working between the Council, Bletchley Park and Milton Keynes Council to secure Heritage Lottery Funding to enable the local management of museum collections and the relocation of relevant items from the Buckinghamshire County Museum **(R53)**.
- 13a. That whilst the Committee recognises the need to make significant savings across all service groups, it would remind the Cabinet and Council that care needed to be taken when making such decisions and that, on occasion, investment may be required to adequately resource the modern needs of service users. The Committee felt that this was particularly pertinent in respect of libraries which needed to keep pace with the 21st century needs of a rapidly growing local population **(R54, R92, R93)**.

Response:

Agreed. This is pertinent in regards to the decrease of 39% in the book fund over the last 10 years. MK Libraries will need re- investment to ensure that they can keep pace with the growing local populations 21st century needs.

- 13b. That the Committee welcomes the information that there are no plans to close any libraries in Milton Keynes and applauds the work being done by the libraries to expand their offer. However, again it would like to see proposals for the re-investment in the service of some of the savings being made so that libraries are in a position to further increase the range of activities and services available **(R54, R92, R93)**.

Response:

Agreed. Work has commenced on a 5 year budget plan which will include proposals for the re-investment of some savings to further increase the range of library activities and services.

14. That the Committee is concerned as to whether those meeting places and community facilities which have been identified as being in receipt of deficit funding have received adequate notice of the withdrawal by the Council of this funding or been given an opportunity to respond and discuss the matter with the Council. This was not evidenced in the papers presented to the Committee for scrutiny nor was it adequately addressed by officer colleagues when challenged at the evidence meetings **(R55)**.

Response:

Organisations that received Deficit Funding in 16-17 were informed in a letter dated January 2017 that 17-18 was the final year for receiving applications. I.e. There would be no deficit funding from 18-19 onwards.

The message was again relayed on site visits for health and safety inspections. Whilst management committees understood the difficult message and the need to review and find new funding sources, it is only without the funding will MKC be able to judge the full impact of this decision on the centres concerned.

15. That although the Committee welcomes the news that the Planning Department is now entirely self-funding and commends the range of innovative ideas being brought forward to maintain this position, it is concerned about the proposal within the enhanced “Fast Track” service for applicants to be able to request the services of a specific planning officer.

Response: This is an innovation that is being tested and has got some interest from developers. It is still in the early stages and will be evaluated thoroughly when sufficient data is available.

Whilst the Committee acknowledges that the risk of corruption amongst the Council’s planning staff is low, it is particularly concerned with external perceptions of the possibility of corruption/being able to ‘buy’ a planning officer causing reputational damage to the Council and therefore seeks reassurance that all the necessary checks and balances will be put in place to ensure that even the suggestion of the possibility of corruption does not become a reality **(R97, R101)**.

Response:

All necessary checks are in place and any planning reports and decisions are considered by senior planning officers before they are agreed. The system includes sample checking of reports and decisions by planning managers. Further, all planning applications are advertised and consulted upon and numerous parties and the public are able to object to a decision potentially triggering further scrutiny via committee. Finally, it has already been requested that Internal Audit undertake an audit of all non fee related planning income in 2018/19 to consider all new working arrangements.

16. That although the income forecast to be raised from the Pre-planning Advice Service and Planning Performance Agreements is welcome as a positive proposal for income generation, the Committee urges caution around its achievability which is dependent on the current market position. The Committee would like to see this monitored during the coming year, and, if necessary, included in the list of unachievable targets if this level of income cannot be reached **(R102)**.

Response:

Agreed this will be monitored as part of existing budget monitoring arrangements.

- 17a. The Committee remains concerned about the Council's plans to gradually reduce the value of what used to be known as the "Wider Use Grant" and how the whole process is being dealt with. In the Committee's opinion, this particular proposal is poorly set out and the wording, copied from last year's budget proposals, confusing **(R115)**.

Response:

Apologies for any confusion. The proposal set out for 17-18 was part of a two year plan for reducing and changing the purpose of the Wider Use Budget. This was subsequently rejected and the budget was fully reinstated with community groups continuing to receive funding. The proposal for 18-19 was to reduce the allocated budget by 50% with equal impact across all recipients. The current proposal is that the budget remains for 2018/19. Consultation will be undertaken with existing groups around a reduction in budget for 2019/20 and 20/21 with a view to re-prioritise the funding to meet the Health and Wellbeing Strategy and getting the inactive active.

- 17b. That given the reported level of obesity in Milton Keynes and the low level of physical activity amongst residents, the Committee is disappointed to see a proposal which would cut funding support to groups which provided programmes to encourage physical activity across all age groups **(R115)**.

Response: Noted. However, the budget contains a proposal from the Executive to use some of the additional 1% increase in Council Tax to support new Health and Well Being initiatives.

Housing and Regeneration

18. That the Cabinet be advised the Budget Scrutiny Committee endorses the report on the 2018/19 Draft Budget Proposals for the Housing Revenue Account (HRA) and the Housing and Community General Fund.
19. That the possible reduction in rental income due to the roll-out of Universal Credit and changes in the Welfare Reform and Work Act, reducing the ability of the HRA to finance investment in the Council's housing stock, is closely monitored by the Housing Service in order to minimise the risk to the HRA from a higher than anticipated level of rent arrears.

Response:

Agreed this will be monitored on a regular basis and reported to Cabinet as appropriate on a quarterly basis.

20. That the Housing and Community Committee endorses the report on the 2018/19 Draft Budget Proposals for the Housing Revenue Account and the Housing and Community General Fund.

Public Realm

21. That the proposal for the revision of the response time for non-urgent (category 2) highway repairs scheduled for 2019/20 be flagged for future detailed scrutiny by the Committee during 2018/19 **(R64)**.

Response:

Noted

22. That the Committee is concerned at the potential impact on the local built environment if the graffiti removal budget is reduced and requests that in advance of its winter 2018/19 Challenge Meetings, it receives the results of monitoring of instances of graffiti across the Borough to enable it to assess the impact **(R71)**.

Response:

Agreed

23. That the wording in the savings proposal in respect of the filling of Grit Bins be amended to clarify that the bins would remain in place, but would not be restocked with grit by the Council **(R72)**.

Response:

This has been updated in the schedule with the final budget report.

- 24a. That the Committee would like to see firm proposals on how the Council plans to mitigate the proposed savings on the misuse of pink sacks against the increased costs of the revised distribution methods and whether there is a break-even point beyond which the new system is unlikely to deliver savings **(R74)**.

Response:

A full response will be provided to the Committee.

- 24b. That the Committee further recommends the balance between recyclable waste and black sack residual waste is monitored and reviewed regularly to ensure local recycling rates are, at a minimum, maintained and at best further improved **(R74)**.

Response:

Agreed

Capital Programme

25. That the budget for the Disabled Facilities Grants needs to be set at a realistic level, reflecting the level of work being carried out, rather than being underspent each year.

Response:

Agreed. Aids and Adaptations to council properties is demand led and appropriate funding should be made available where it is viable to do. This will be monitored and reported to Cabinet on a quarterly basis.

26. That in light of the advice of the Corporate Director (Resources and Commercial Development) that a restructure of Business Rates in 2020 is likely to create a shortfall of £4m in the Council's Revenue Account, plans are developed to transfer a proportion of the financial support provided by the New Homes Bonus from the Capital Programme to the Revenue Account.

Response:

Agreed and incorporated into the MTFP.

27. That given the Council's current poor performance on road safety initiatives and the current low level of funding to support these, the Committee recommends that the allocation within the Capital Programme for road safety measures be increased to enable effective improvements to be made.

Response:

The full 2017/18 road safety programme is currently on target to deliver all its improvements and be completed by 31 March 2018.

Commentary

This section details comments from the Committee which apply to the budget as a whole or to service groups. The Committee feels that these additional points will aid readers of the report to understand why the Committee has made the recommendations it has.

However, not all the proposed reductions scrutinised by the Committee, nor all the recommendations listed in the previous section, have been commented upon.

Procedural

- The Committee considers that the phrase “No impact on service delivery” is not always meaningful, having spotted at least one instance where the proposed changes could lead to a service improvement for users and feels any anticipated positive results from the budget setting process should be highlighted as such.

Cross Cutting

- The Committee is disappointed to note that, despite assurances from the Leader that no items removed from the 2017/18 budget by Council at the February 2017 meeting would re-appear in the 2018/19 proposals, several items, such as grit bins, have once again made an appearance.
- The Committee notes a marked difference in the capacity and approach of various service groups to deal with the problems posed by long term austerity measures and the need to reduce council spending. Some service groups, by taking an innovative approach, have been able to make the necessary savings whilst minimising the impact on service users and continuing to provide value for money.

Service Groups

Resources

- The Committee believes that given that an additional £3.9m has only just been identified as part of a review of the Council’s debt financing position, it is not in its remit at this stage to comment on how this money should be allocated as it has not had an opportunity to review any relevant business cases.

Adult Social Care and Health & Children and Families

- The Committee considers that the Council has been pragmatic in its approach to social care provision and has been able to maintain an in-house service provision. This means that Milton Keynes does not have

to deal with the current crisis in social care provision being faced by many other local authorities.

Growth, Economy and Culture

- The Committee considers the collaborative work done by the Council, Bletchley Park, Milton Keynes Museum and the Buckinghamshire County Museum to secure Heritage Lottery funding for the management and display of relevant collections locally to be an excellent example of partnership working and that when successful such joint projects provide benefits to all parties which are more than just financial.
- The Committee feels that the Council is losing sight of the aim of what used to be known as the “Wider Use Fund” which was to provide help and support for smaller local, generally voluntary groups which are not in a position to be self-funding, but which are valued by their local communities. It remains concerned at what appears to be a lack of two-way communication with such groups enabling them to find alternative ways of maintaining their viability in the future.
- The Committee made a recommendation last year for a full review of the Wider Use Fund with appropriate consultation which was endorsed by Council on 15 February 2017. Council therefore requested that the Cabinet carried out a review of the future of the Wider Use Fund with full consultation and cross-party input, before any further decisions are brought forward as part of the 2018/19 budget process. The Committee is disappointed to note that after an initial meeting in June 2017, no further work has been done to carry out the said review.
- The Committee commends the Cabinet Member for Place and officer colleagues in Growth, Economy and Culture for developing and managing the Milton Keynes Library Service, making it more commercially viable and ensuring that there has been no need to close any local libraries.
- The Committee discussed at some length the option under the Fast Track Service for applicants for planning permission to request a particular planning officer to handle their application. The Committee welcomes any innovative proposals for income generation from the Council’s Service Groups provided their viability is backed up by credible evidence. The Committee remains concerned that an erroneous external perception of what this offer means could cause reputational damage to the Council and will therefore be making a separate referral to the Audit Committee requesting that it seeks re-

assurance that all the necessary procedures are in place to ensure that this scheme operates successfully.

Housing and Community

- In addition to scrutiny of the draft 2018/19 budget proposals for the Housing Revenue Account and the Housing and Community General Fund by the Committee, the proposals were also scrutinised and discussed on 19 December 2017 by the Housing and Community Committee.

Public Realm

- Plans to reduce the misuse of pink recycling sacks and thus reduce the cost to the Council of providing the sacks, need to be balanced against any unintentional consequences, such as a resultant increase in the use of black sacks to dispose of readily recyclable materials, with a knock-on effect on the volume of residual waste having to be treated. The Committee does not consider that it has received sufficient evidence to allay its fears on this matter.
- Charging Milton Keynes Hospital for the collection of its waste appears to be an instance of just passing a pressure onto another public service with the end result that the costs will still be met from the public purse.

Annex B:

Requests for Additional Information

12 December 2017 (Residual Waste Treatment Facility, Housing Revenue Account, Housing and Community General Fund)

- Clarification of who is the Council's Regeneration Partner and what their role is **(Saving R47)**.

03 January 2018 (Public Realm, Capital Programme)

- That the Committee be provided with details of the authorisation levels for virements between budgets.
- That the Committee be advised of the current position with regard to converting estate lighting to LED **(Savings R58 & R60)**.
- That the Committee be advised of the impact on the Revenue Budget of the potential slippage in the Capital Programme.
- That the Committee, at its meeting on 16 January 2018, receive details of the use of S106 monies, including details of monies not yet allocated to a specific project / scheme.
- That the Committee be advised of the current backlog of highway white-line painting and the potential outstanding works which may remain after completion of the planned programme for 2018/19.

09 January 2018 (Adult Social Care & Health, Children & Families)

- That the Committee be provided with the list of criteria for ring fencing of the Public Health budget **(Saving R44)**.
- That the Committee be provided with details of grant maintained schools which have an above average reserve balance.
- That the Committee be provided with a detailed explanation of the figures quoted in slide 3 of the presentation as these appear to differ from the figures quoted elsewhere in the budget papers.
- That the Committee be provided with the figures for the funding for MIND during the transitional period to self-sufficiency by MIND **(Saving R34)**

16 January 2018 (Resources, Corporate Core, Growth, Economy & Culture)

- That in relation to R55, the Head of Placemaking provides confirmation of when the management committees of the relevant community centres / meeting places were advised that the Council would be withdrawing deficit funding.