

BUDGET SCRUTINY COMMITTEE

Democratic Services

ITEM 4 – Preparation of the Draft 2019/20 Budget - Pressures

Medium Term Budget Pressures – Place

(Pages 2 - 3)

2019/20 DRAFT BUDGET CHALLENGE MEETINGS:

Wednesday 3 October 2018 (Council Chamber @ 7.00PM)

Members of the Committee are asked to bring these papers with them to all of the challenge meetings.

<http://milton-keynes.cmis.uk.com/milton-keynes/Committees.aspx>

For more information about the meeting please contact Elizabeth Richardson on (01908) 252629 or e-mail: Elizabeth.Richardson@milton-keynes.gov.uk

Medium Term Financial Strategy 2019/20 - 2022/23 Draft Budget Pressures PLACE

Budget Scrutiny Committee - 03/10/18

Portfolio Holder	Service Group	Budget Pressure (New or Revision)	New Reference number Ref	Old Reference Number Ref	Lead Officer	Proposal Description	Risk Level	Budget 2018/19	2019/20	2020/21	2021/22	2022/23	Reason	Justification
								£000s	£000s	£000s	£000s	£000s		
						Name, What is the Pressure, Why has it occurred and what are the key assumptions behind the values and dependencies that might impact on this (explain if these change by year)	High, Medium, Low* for definitions	Current Year Gross Budget					Pick from drop down	Pick from drop down
Nigel Long	Housing & Regeneration	REVISION	P14	P22	Michael Kelleher	Enhanced staffing structure for General Fund housing to resource Homelessness Recovery Plan and implementation of Homelessness Reduction Act duties, as per Cabinet report 3 October 2017 and Full Council 18 October 2017.	MEDIUM	2,244	121	0	0	0	DEMAND: FAILURE	CORPORATE APPROVED ADJUSTMENT
Nigel Long	Housing & Regeneration	NEW	P15		Tracy John	Travellers - Increased staff - Cab 10-07-2018 report: Agree funding of £65,000 for a Gypsy and Traveller Coordination resource to deliver a number of these activities.	MEDIUM	0	65	0	0	0	POLICY CHOICE	BUSINESS CASE
Nigel Long	Housing & Regeneration	NEW	P16		Ellie Nickless	Prevention Fund - The Prevention Fund supports the work of the Prevention Team in diverting people away from temporary accommodation (TA) thereby reducing and avoiding future TA costs. Projected costs of £400k should be reflected in the TA base budget. This will be off set by savings. Current budget of £75k projected to overspend by £350k in current year.	MEDIUM	75	400	150	150	0	INVEST TO SAVE	BUSINESS CASE
Nigel Long	Housing & Regeneration	NEW	P17		Ellie Nickless	Homelessness Reduction Act demand - Act Increased gross demand and workload as a result of the wider pool of homeless applicants. Funding for 6 additional homelessness prevention officers and 2 affordability officers. Offset by TA savings.	MEDIUM	4,575	280	0	0	0	DEMAND: NEW	BUSINESS CASE
Nigel Long	Housing & Regeneration	NEW	P18		Ellie Nickless	Choice Based Lettings - Implementation/running costs (inc Housing Register) net of % chargeable to HRA.	MEDIUM	0	80	-10	0	0	POLICY CHOICE	BUSINESS CASE
Total Housing and Regeneration									946	140	150	0		
Mick Legg	Growth, Economy & Culture	NEW	P19		Brett Leahy	Land Charges nationalisation - Land charges being centralised to Land Registry; loss of income (current surplus) to the council will not be fully mitigated by staffing reductions. Estimated 50% of income loss (£228k), offset by 1 FTE saving (£28k). - Implementation April 2019? Awaiting advice of New Burdens Grant, consulting with pilot local authorities whose land charges have already been centralised in order to learn how best to manage transition and minimise loss.	MEDIUM	-455	200	0	0	0	LEGISLATIVE, INCL NLW	BUSINESS CASE
Moriah Priestley	Growth, Economy & Culture	NEW	P20		Pam Gosal	Libraries reserves exhausted - Previous budget reductions have been met from reserves, which will be exhausted this year. This service will be redesigned as part of a community hub programme to mitigate the financial impact associated part of this pressure.	MEDIUM	1,745	0	122	23	0	UNDELIVERED SAVING	BUSINESS CASE
Moriah Priestley	Growth, Economy & Culture	NEW	P21		Pam Gosal	Cultural savings & income targets unrealisable - Previously budgeted project management fee income (£41k) and non-specific cost reductions (£23k) not deliverable.	LOW	469	64	0	0	0	UNDELIVERED SAVING	BUSINESS CASE
Moriah Priestley	Growth, Economy & Culture	NEW	P22		Pam Gosal	Economic Development income target unrealisable - Previously budgeted income generation target not deliverable, has recently been offset by ad-hoc recharges to S106 budgets. Saving was to be made through a shared service with a neighbouring authority which is no longer taking place.	LOW	42	25	0	0	0	UNDELIVERED SAVING	BUSINESS CASE
Moriah Priestley	Growth, Economy & Culture	NEW	P23		Pam Gosal	Destination MK contributions - Previously met from reserves, should be in base budget	LOW	0	20	0	0	0	POLICY CHOICE	BUSINESS CASE
Total Growth, Economy & Culture									309	122	23	0		
Martin Gowans	Public Realm	REVISION	P24	P29	Tom Blackburne - Maze	Demographic growth for waste contracts (refuse collection, food and garden waste collection and disposal, street cleansing, and household waste sites) based on 1.56% increase to reflect additional properties in MK and 0.25% social growth of waste in Milton Keynes. The refuse collection and food and garden waste collection contracts both charge on the basis of the number of properties in MK. Projections are based on historic waste tonnages and new homes projections.	MEDIUM	16,211	255	265	276	287	DEMOGRAPHY	FINANCIAL Model
Martin Gowans	Public Realm	REVISION	P25	P30	Tom Blackburne - Maze	Demographic growth for Landscape Maintenance based on 1.5% growth in landscape adopted areas.	MEDIUM	1,889	28	29	30	32	DEMOGRAPHY	FINANCIAL Model
Martin Gowans	Public Realm	NEW	P26	n/a	Tom Blackburne - Maze	Demographic growth for highways and street lighting maintenance, winter service and street lighting energy due to 2% growth in adopted highway pa (costs to be absorbed in 2019/20)	MEDIUM	4,113	0	76	76	78	DEMOGRAPHY	FINANCIAL Model
Mick Legg	Public Realm	PREVIOUSLY APPROVED	P27	P31	Tom Blackburne - Maze	Medical Examiner. There is also expected to be a change in the legislation which will require LA's to employ a medical examiner to counter sign any death not certified by the coroner. It is expected that this will be a requirement from April 2019 and will mean that the LA will need to employ both a medical examiner and associated officers. This is still to be confirmed by Government and is a pressure should this become law.	MEDIUM	0	150	0	0	0	LEGISLATIVE, INCL NLW	BUSINESS CASE
Martin Gowans	Public Realm	PREVIOUSLY APPROVED	P28	P32	Tom Blackburne - Maze	Car park income has declined steadily since 2016/17 due to reductions in CMK footfall and changes in working patterns and is continuing as users behaviours change.	HIGH	-14,048	200	200	200	0	DEMAND: NEW	BUSINESS CASE
Pete Marland	Public Realm	NEW	P30	n/a	Tom Blackburne - Maze	Utility rebate commission; correction of accounts. 2015 rebate was one off, not recurring.	LOW	-197	50	0	0	0	CONTRACTUAL CHANGE (NEW CONTRACT WITH HIGHER PRICE)	BUSINESS CASE
Mick Legg	Public Realm	NEW	P31	n/a	Tom Blackburne - Maze	New Crematorium opening in Aylesbury Vale in January 2019 is likely to reduce numbers and income received on cremations undertaken for non Milton Keynes residents. Exact impact not yet known.	MEDIUM	-2,551	30	50	50	0	DEMAND: NEW	BUSINESS CASE
Martin Gowans	Public Realm	NEW	P32	n/a	Tom Blackburne - Maze	Realignment of budget to deliver current landscape level of service as a result of previous saving proposals proving to be unachievable.	MEDIUM	1,889	200	0	0	0	UNDELIVERED SAVING	BUSINESS CASE
Martin Gowans	Public Realm	NEW	P33	n/a	Tom Blackburne - Maze	Income from Residual Waste Treatment Facility - no income share is forecast in 2019/20 whilst the resilience test is being undertaken. This is programmed to complete in March 2020 enabling future income share to be estimated. This will enable future budgets to be forecast using actual performance information from the plant.	LOW	-1,347	1,347	0	0	0	UNDELIVERED SAVING	BUSINESS CASE
Total Public Realm									2,260	620	632	397		
Total Place									3,515	882	805	397		

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								£000s	£000s	£000s	£000s	£000s		

Risk level	Description
High	Very Likely to change and the impact could be significant >£200k in any one year
Medium	Likely to change and impact could be up to but not more than £200k per annum
Low	Fixed or unlikely to change and impact less than £50k in any one year

Emerging Draft One-Off Pressures - to be reviewed

Portfolio Holder	Service Group	Budget Pressure (New or Revision)	New Reference number Ref	Old Reference Number Ref	Lead Officer	Proposal Description	2019/20	2020/21	2021/22	2022/23	
							£000s	£000s	£000s	£000s	
						Name, What is the Pressure, Why has it occurred and what are the key assumptions behind the values and dependencies that might impact on this (explain if these change by year)					
Moriah Priestly	Growth, Economy & Culture	NEW	OP4		Neil Sainsbury	European City of Sport - Balance of bid & delivery funding - Subject to DD approval; includes £80k post-bid delivery costs (but Stoke spent £3m)	66	60	4	0	General
Moriah Priestly	Growth, Economy & Culture	NEW	OP5		Neil Sainsbury	Womens' Euros - Delivery funding, conditional on winning - Subject to DD approval	0	75	75	0	General
Total Growth, Economy & Culture							66	135	79	0	
Martin Gowans	Public Realm	NEW	OP6		Tom Blackburne - Maze	Mobility Delivery Plan - implementation resources to pump prime forward programme. As schemes are developed costs will be capitalised releasing budget for future projects.	100	0	0	0	General
Martin Gowans	Public Realm	NEW	OP7		Tom Blackburne - Maze	Highways Commissioning - Resources for delivering highways commissioning cycle approach to design the future service when the current contract ends that will; meet the financial challenges facing the Council, focus on community driven outcomes, enable the ability to start a new service aligned with our aspirations, understanding the limitations of the current and future service and recognising the opportunity to transform the service.	300	300	300	0	General
Martin Gowans	Public Realm	NEW	OP8		Tom Blackburne - Maze	Waste Commissioning - Resources for delivering environment and waste commissioning cycle approach to design the future service when the current contract ends that will; meet the financial challenges facing the Council, focus on community driven outcomes, enable the ability to start a new service aligned with our aspirations, understanding the limitations of the current and future service and recognising the opportunity to transform the service. This pressure ends in 2023/24.	100	300	300	300	General
Mick Legg	Public Realm	NEW	OP10		Tom Blackburne - Maze	Facilities costs to retain licence at Bracknell House for wedding services.	44	0	0	0	General
Total Public Realm							544	600	600	300	
Total Place							610	735	679	300	