

Medium Term Financial Strategy 2018/19 - 2021/22 Budget Pressures

Portfolio Holder	Service Group	New Budget Pressure Ref	Lead Officer	Proposal Description	2018/19	2019/20	2020/21	2021/22	Category
					£000s	£000s	£000s	£000s	
Rob Middleton	Resources	P1	Paul Simpson	Additional costs on the Council's cleaning contract from the on going impact, arising from the Council signing up to paying the Real Living Wage rate. Costs have been partially offset by contract negotiations and contractor efficiencies.	32	33	35	37	Legislative
Rob Middleton	Resources LGSS	P43	Paul Simpson	Support Services Trading Income - HR and ICT (S4 2015/16) - The current income target was set when the service was managed by MKSP. This is no longer considered to be achievable and this adjustment will align the budget with current income levels. This will continue to be reviewed on a regular basis. Through our partnership with LGSS we are working to deliver future growth in revenues through our share of partnership income on customer growth and would expect to see this improve moving forward.	269	0	0	0	General
Rob Middleton	Resources	P44	Ed Palmieri	Unachievable savings target (S13 2017/18). Assumptions were made that following the exit of mkc staff from Saxon Court, running costs of the building could be covered by service charge income from new tenants. This assumption has been reviewed and is no longer considered achievable in 2018/19, however has been reprofiled from 2020/21 to reflect the longer term revenue savings of mkc not occupying the building.	311	0	-311	0	General
Rob Middleton	Resources	P50	Hazel Lewis	This is the estimated annual charge from LGSS for hosting the Council's ICT infrastructure from Northampton. No allowance for this had been included in the outline business case.	60	0	0	0	General
Rob Middleton	Resources	P51	Mark Greenall	Additional budget for Insurance Premiums to bring budget in line with agreed premiums and to remove income expectation for recovery of a share of management overhead costs to schools. Premiums can only be recharged on an actual cost basis.	317	0	0	0	General
Rob Middleton	Resources	P52	Hazel Lewis	ERP archiving solution for SAP following the introduction of ERP Gold. These costs were not included in the original Outline Business Case and will be required for a period of 6 years.	47	0	0	0	General
Rob Middleton	Resources	P53	Sharon Bridglalsingh	Reversal of transformation savings included in the 2017/18 budget which cannot be delivered as cashable savings (£70k net of salary savings) and £100k for software license maintenance costs which has been funded from reserves but should form part of the revenue base budget.	135	35	0	0	General
Pete Marland	Resources	P54	Sharon Bridglalsingh	This reflects the outcome of the review of Councillor Allowances by the Independent Review Panel. This uplift was agreed by Council in January 2018.	73	4	4	4	General
Total Resources					1,244	72	-272	41	
Nigel Long	Adult Social Care & Health	P2	Victoria Collins	Learning Disability (LD) Services. There are a number of young people with LD reaching adulthood in 2018/19 who need support from Adult Services in supported living placements and direct payments. Future years are modelled on an additional 15 people per year.	900	780	620	630	Demography
Nigel Long	Adult Social Care & Health	P3	Victoria Collins	Learning Disabilities - Care costs due to support breakdown due to ageing parent carers with additional people requiring services in 18/19. A further 3 people are identified as at risk of family breakdown in 2019/20. Estimates for 2020/21 and 2021/22 assume 3 additional clients per year based on an average cost of care per year of £50k each.	280	110	150	150	Demography
Nigel Long	Adult Social Care & Health	P4	Victoria Collins	Older People - General net demographic growth based on forecast MK population changes is expected to be on average 40 additional service users per year. Principally this will fund growth of external residential and nursing, direct payments, day care and homecare packages.	530	500	500	515	Demography
Nigel Long	Adult Social Care & Health	P5	Victoria Collins	Physical Disabilities - General net demographic growth modelled on MK population forecasts equal to 4 new service users per year.	60	70	70	70	Demography
Nigel Long	Adult Social Care & Health	P6	Victoria Collins	Physical Disabilities - Three young people with physical disabilities will reach adulthood in 2018/19 with high support needs. One young person will need supported living and two will require a direct payment. 19/20 reflects the full year effect of 18/19 and future years are modelled at 3 additional service users per year.	65	90	90	90	Demography
Nigel Long	Adult Social Care & Health	P7	Victoria Collins	Mental Health (MH) & Autism services. There are a number of young people with MH/Autism reaching adulthood in 2018/19. Support packages will be required including supported living placements for 6 young people and care packages and/or direct payments are required for 14 young people. Future years are modelled on an additional 20 service users a year.	520	610	610	610	Demography
Nigel Long	Adult Social Care & Health	P8	Victoria Collins	Deprivation of Liberty Safeguarding (DoLS) - due to changes in case law, the number of DoLS cases has increased year on year from c50 per year to c800 per year since 2014. Workload is expected to further increase to c1,000 assessments per year and therefore additional specialist assessors will be required. This increases the number of assessors to six covering on average 160 assessments per post each year.	220	0	0	0	Demography

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Nigel Long	Adult Social Care & Health	P9	Victoria Collins	Deprivation of Liberty Safeguarding (DoLS) - MKCCG are no longer funding the medical assessments on the expectation that this duty transferred over to MKC. MKCCG had been previously paid for these as the numbers have not previously been material but given the increase, they are no longer willing to. Future years reflect the expected average 6% year on year increase in the number of medical assessments.	177	10	11	11	General
Nigel Long	Adult Social Care & Health	P10	Victoria Collins	Sleep-in Directive – Changes to the law require the council to pay higher rates for sleep-in duties. A provisional estimate has been made of the likely increased annual costs from this directive based on the current information available. All packages will be reviewed, together with alternative models to ensure that the costs and service remain affordable.	600	0	0	0	Legislative
Rob Middleton	Adult Social Care & Health	P45	Victoria Collins	Five Acres Care Home - Income not achievable as the home was not purchased following due diligence processes.	50	0	0	0	General
Nigel Long	Adult Social Care & Health	P11	Victoria Collins	Residential & Nursing Block Placements - estimated shortfall on client contribution income based on current levels of income.	430	0	0	0	Demography
Total Adult Social Care & Health					3,832	2,170	2,051	2,076	
Zoe Nolan	Children and Families	P12	Mac Heath	To part fund the additional pressure of the arrangement which enables care leavers to remain with their foster carers after they turn 18 ('Staying Put' duty) that is over and above the grant funding. This assumes an additional one young person choosing to stay put each year.	11	11	11	11	Legislative
Zoe Nolan	Children and Families	P13	Mac Heath	Base budget shortfall / growth in foster care, Special Guardianship Orders (SGO) allowances and placements for Looked After Children in line with the 2017/18 forecast and the removal of the demand led reserve. The 2017/18 budget is £4.3m.	1,500	0	0	0	Demography
Zoe Nolan	Children and Families	P14	Mac Heath	Placement Costs - To fund the care costs of the predicted 2% 0-19 year olds population growth in Milton Keynes. The 2017/18 budget is £8.1m.	425	425	425	425	Demography
Zoe Nolan	Children and Families	P15	Mac Heath	Staffing costs - To fund the predicted population growth in numbers of Looked After Children (LAC) and in need of protection and with complex disability needs resulting in an increase of three additional social workers each year. The average officer caseload ranges from 18 to 25 dependant on the level of need, complexity and officer experience.	165	168	171	174	Demography
Zoe Nolan	Children and Families	P16	Mac Heath	To fund the increased demand on the leaving care budget due to increased numbers of young people leaving care - pressure reflects additional resource required to support care leavers with setting up home and accommodation costs.	36	50	60	70	Demography
Zoe Nolan	Children and Families	P17	Mac Heath	Children with complex disabilities (homecare packages) - there has been an increase in the provider rate as a result of the new contract (costs have risen due to new living wage rates) from £15.15 to £15.86 per hour. There has also been an increase in demand (an additional 20 children receiving four hours per week).	90	12	12	12	Demography
Zoe Nolan	Children and Families	P18	Mac Heath	An increase in the number of children requiring Special Education Needs (SEN) casework support with an additional 400 children now on an Education Health Care (EHC) plan compared to 2013/14 and more children with complex disabilities. Two additional caseworkers and a social work assistant are required to support this growth. At present the pressures are being managed and funded via SEN Reform grant funding which has meant that this pressure has been mitigated in the short term. This is not available after September 2020.	0	0	80	70	Demography
Zoe Nolan	Children and Families	P19	Mac Heath	External legal fees for Children's Social Work has increased year on year; the base budget needs to be adjusted to reflect the on-going increases in these costs. There has been a 45% increase in care proceedings.	25	25	25	25	Demography
Zoe Nolan	Children and Families	P20	Marie Denny	Demographic growth to reflect the increase in children, predominantly those attending special schools and therefore requiring transport (linked to special school place planning). An increase of 30 additional pupils is assumed every year (based on current forecasts for special school places and the take up of transport). The 2017/18 budget is £4.4m (excluding recharges) and there are 1,218 pupils being supported as at end of September 2017.	156	156	156	156	Demography
Zoe Nolan	Children and Families	P55	Mac Heath	Funding to support our most vulnerable children and their families (those in contact with children's social care) to have access to targeted mental health support.	100	0	0	0	General
Total Children and Families					2,508	847	940	943	
Total People					6,340	3,017	2,991	3,019	
Nigel Long	Housing & Regeneration	P21	Michael Kelleher	Forecast increased demand for temporary accommodation based on increased "full duty" acceptances and continuation of current sources of supply in 2018/19.	3,283	0	0	0	Demography

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Nigel Long	Housing & Regeneration	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	750	121	0	0	General
Nigel Long	Housing & Regeneration	P23	Michael Kelleher	Establishment of a Homelessness Prevention Fund to supplement Local Welfare Provision and Discretionary Housing Payments and so avert Temporary Accommodation costs	75	0	0	0	Demography
Nigel Long	Housing & Regeneration	P24	Michael Kelleher	Homelessness Extra Non-Pay Costs covering additional IT running costs for SX3 Homelessness and Choice Based Lettings modules, Fixed Term Tenancies and Homelessness Reduction Act duties.	40	0	0	0	General
Nigel Long	Housing & Regeneration	P25	Michael Kelleher	Running costs of a One Stop Shop for homelessness	25	0	0	0	General
Hannah O'Neil	Housing & Regeneration	P26	Michael Kelleher	Establishment of a new Emergency Planning Officer post. The recent tragedy of Grenfell Tower and the growing risk of other incidents has highlighted the need for increased resilience as a statutory Category 1 responder. Resilience will be increased as a result of an increase in the emergency planning team from two to three staff.	46	0	0	0	General
Nigel Long	Housing & Regeneration	P27	Michael Kelleher	In light of increasing pressures on local government, and Milton Keynes specifically, the Council will work up options and solutions for reducing street homelessness across the borough. This investment includes a further £300k funded from the additional 1% Council Tax increase.	400	0	0	0	General
Total Housing and Regeneration					4,619	121	0	0	
Liz Gifford	Growth, Economy & Culture	P28	Neil Sainsbury	Resource for an additional Contract Monitoring post to improve the effectiveness of the leisure contracts.	44	0	0	0	General
Liz Gifford	Growth, Economy & Culture	P49	Neil Sainsbury	Restoration to base budget of Wider Use Funding (Small Community Grants Budget) - 17/18 saving rejected (£64), funded from one off in 17/18. There is an existing budget of £22k which makes the total budget £86k.	64	0	0	0	General
Liz Gifford	Growth, Economy & Culture	P56	Pam Gosal	Increase in libraries base budget which had previously been funded from earmarked reserves.	60	0	0	0	General
Hannah O'Neil	Growth, Economy & Culture	P57	Sarah Gonsalves	Funding for Voluntary Sector Capacity and infrastructure £30k; Voluntary sector Match Funding Grant Scheme £50k; Voluntary Sector Resilience Fund £100k; Voluntary Sector Consortium Support £50k	230	-150	0	0	General
Total Growth, Economy & Culture					398	-150	0	0	
Martin Gowans	Public Realm	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 1.59% 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.	216	232	245	258	Demography
Martin Gowans	Public Realm	P30	Tom Blackburne - Maze	Demographic growth for Landscape Maintenance based on 1.5% growth in landscape adopted areas.	27	28	30	31	Demography
Mick Legg	Public Realm	P31	Tom Blackburne - Maze	Medical Examiner & Coroner -increase in the number of coroner inquests has resulted in the need for a full time Coroner. Funded through one off funding in 2017/18. 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 in advance of start date.	90	150	0	0	Legislative
Liz Gifford	Public Realm	P32	Tom Blackburne - Maze	Car park income declined in 2016/17 by £800k. This was budgeted to partially recover in 17/18 but analysis has shown a consistent on going reducing demand and income from pay and display and parking permit use in Central Milton Keynes most likely from changes in agile working and shopping habits. Income is currently forecast to decline by a further £550k for 17/18 (£1.05m compared to budget, with further shortfall likely), and forecast to continue in the future. A further £119k reduction is anticipated to reflect the previously agreed increased prices for low carbon, multiple occupancy and commuter permits in 2018/19. The £1.519m pressure in 2018/19 and £200k in future years brings the budget in line with current forecasts.	1,519	200	200	200	General
Martin Gowans	Public Realm	P33	Tom Blackburne - Maze	Rebase winter maintenance to align with costs in a typical year, taking into account the Winter Maintenance review. For the last 4 years, between £70k and £200k annual one off funding has been required from the winter maintenance reserve to support the costs of providing the service in year.	100	0	0	0	General
Martin Gowans	Public Realm	P34	Tom Blackburne - Maze	In line with current 2017/18 forecast, increased food and garden waste tonnages will result in higher costs of disposal.	183	0	0	0	Demography

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Martin Gowans	Public Realm	P48	Tom Blackburne - Maze	Changes in government incentives, commodity and energy prices has resulted in a risk to the levels of 3rd party waste income projected from the Residual Waste Plant.	250	0	0	0	General
Rob Middleton	Public Realm	P46	Tom Blackburne - Maze	Previous saving proposal to generate highways coring income not achievable as the costs exceeded the income. The quality of highways reinstatements by utility companies are better than first anticipated, making the scheme not financially feasible to enforce.	178	0	0	0	General
Martin Gowans	Public Realm	P35	Tom Blackburne - Maze	Historically, traffic signal maintenance has been funded from S106 maintenance endowments, which is now exhausted. A base budget in line with prior year costs is therefore required to maintain traffic signals going forward.	100	0	0	0	General
Rob Middleton	Public Realm	P47	Tom Blackburne - Maze	There has been a continued reduction in income from chargeable removal of bulky waste from domestic properties. Waste is now being taken directly to Community recycling centres or collected for free by Charities. This pressure brings the income budget back in line with current forecasts.	129	0	0	0	General
Liz Gifford	Public Realm	P36	Tom Blackburne - Maze	Revenue support for maintaining Bus Real Time Information (RTPI) system. The previous contract for RTPI had a lower annual revenue cost, linked to the initial capital investment. This initial contract period has expired and the full maintenance cost will need to be funded to maintain the service.	82	-82	0	0	General
Martin Gowans	Public Realm	P37	Tom Blackburne - Maze	Reinstated 'pink sacks' Council decision (S92 2016/17) - As part of the decision made by Cabinet on the Waste Strategy in June 2017, new reductions and income proposals totalling £336k were agreed to partially offset the pressure resulting from not changing pink sacks. Included in these reductions are changes from pink to clear sacks, ceasing to deliver sacks to flats with communal bins and a new ordering of replacement sacks process.	400	0	0	0	General
Martin Gowans	Public Realm	P38	Tom Blackburne - Maze	Grit bins budget reinstated at Council February 2017 (S147b 2017/18)	10	0	0	0	General
Martin Gowans	Public Realm	P39	Tom Blackburne - Maze	Weed spraying budget reinstated at Council February 2017 (S147c 2017/18)	50	0	0	0	General
Martin Gowans	Public Realm	P40	Tom Blackburne - Maze	Street cleansing budget reinstated at Council February 2017 (S147d part 2017/18)	97	0	0	0	General
Martin Gowans	Public Realm	P41	Tom Blackburne - Maze	Budget for strimming of grass around obstacles and signs, reinstated at Council February 2017 (S147k 2017/18)	15	0	0	0	General
Liz Gifford	Public Realm	P58	Tom Blackburne - Maze	New business rates charge for Marlborough Gate Car Park following notification from Valuation Office	22	0	0	0	General
Martin Gowans	Public Realm	P60	Tom Blackburne - Maze	Investment in speed monitoring equipment to enable community engagement in speed reduction measures	100	-100	0	0	General
Total Public Realm					3,568	428	475	489	
Total Place					8,585	399	475	489	
Rob Middleton	Corporate	P42	Paul Simpson	Additional funding for Health and Safety compliance to bring the service back to a routine position going forward. Funding required for monitoring statutory compliance eg.fire risk assessments, asbestos surveys and legionella risks.	100	0	0	0	General
Rob Middleton	Corporate	P61	Paul Simpson	To enable the Youth Cabinet to invest in their priorities.	10	0	0	0	General
Total Corporate					110	0	0	0	
GRAND TOTAL					16,279	3,488	3,194	3,549	